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NEWS SUMMARY

GENERAL

Libya 'sends wanted list'

Libya says it has sent the British Government a list of Libyans living in the UK and demanded their expulsinn and return.

It warned of more attacks on opponents of Colonel Gaddafi's regime who have not returned by next Wednesday.

Britain's relations with Libya, where three British diplomats and 17 residents were expelled last week, depend on the expulsion of the named disidents, aaid Dr. Ahmed Sbehati, effectively Foreign Minister. Back Page

Dearer petrol

Leading oil companies announced price increases likely to add 2p-3p to the pump price of petrol, and warned of further rises soon. Page 4

Nurses' pay

Royal College of Nursing leaders virtually ruled out united industrial action by nurses over pay. Page 4

Storm deaths

Scotland and northern England were counting the cost of freak storms that left six people dead and dozens injured. Fureeast, Back page

Drugs men jailed

Two Malaysians convicted of trying to smuggle nearly £6m of heroin into London were each jailed for 14 years at the Old Bailey.

S. Africa attitudes

Black attitudes in South Africa are hardening and political awareness growing following the Zimbabwe elections, a business study shows. Page 2

Talks on Uganda

Sudanese President Jaafar Nimeiri and chairman of Uganda's ruling military commission Paulo Muwanga began talks in Arusha with Tanzanian Presideot Julius Nyerere. Page 2

Heart transplant

Britain's youngest heart recipient Andrew Paterson, 22, was regaining consciousness at Papworth bospital, Cambridge.

Iran discontent

Growing numbers of Iranians unhappy with the rule of Ayatollah Khomeini are joining clandestine opposition groups, said former Premier Shapur Bakhtiar.

Rebels silent

New Habrides authorities were waiting for a response to appeals to rebels on Espiritu Santo to lay down their arms and begin talks.

Portugal crisis

Portugese President Antonio Eanes said during a visit to Norway that his country's politics were in "a grave and worrying state."

By-election date

By-election at Glasgow Central, caused by the death of Tom McMillan, is to be held on June 26.

Dead reckoning

Estate of a man decapitated by a helicopter in 1971 has been ordered by a Quebec court to pay nearly £10,000 for the aircraft's repair.

Briefly . . .

West Indies were 270-7 in reply to England's 263 in the Cornhill Test at Trent Bridge.

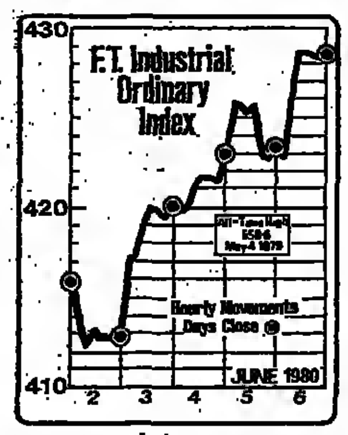
Third rider died in the Isle of Man TT races.

Landmine killed 18 people on Jolo, Philippines.

BUSINESS

Equities up again; Gilts and $ ease

● EQUITIES ended the first leg of the Account on a bright note aided by hopes of a cut in interest rates before the late



summer. The FT 30-share index gained 5.1 to 428.5, bnt Gold Mines fell 3.5 to 333.7. Page 24

● GILTS generally held up well, although shorts were slightly easier. The FT Government Securities index shed 0.02 to 67.73. Page 24

● STERLING changed little in quiet trading to close at $2.3320 ($2.3310). Its index was unchanged at 73.7. Page 23

● DOLLAR lost gronnd on selling in New York and the Fed may have intervened. It closed at DM 1.7720 (DM 1.7740) and SwFr 1.6370 (SwFr 1.6460) but its index held unchanged at 83.7. Page 23

● GOLD rose $14 to $601 an ounce in London. Page 23

● WALL STREET was 5.04 higher at 863.74 shortly before the close. Page 30

● CAR SALES fell in May by 33.6 per cent to 128,174 against 193,269 in May 1979 and industry redundancies increased. Back Page

● WOODSIDE PETROLEUM has agreed with eight international banks to raise $1.3bn in credit to finance a Western Australian gas project. Back and Page 21

● PETROL PRICE rises announced by leading oil companies—the second in three weeks—are likely to add 2p-3p a gallon to prices. Page 4

● YOUCOSLAVIA devalued its currency about 25 per cent and there are now 63.60 dinars to the £.

● TURKEY is negotiating with Iran for the purchase of more crude oil, which it may finance by batering foodstuffs. Page 3

● RAILWAYMENS' UNION secretary Mr. Sid Weigbell bas warned the Government that if it does adopt an incomes policy, it will have to ba applied to the private as well as the public sector. Page 4

COMPANIES

● DOBSON PARK Industries, the mining and specialised engineering company, raised pre-tax profits in the half-year ended March 29 to £7.78m (£6.63m) after increasing sales. Page 18 and Lex. Back Page

● JOHN BEALES Associated Companies, the Nottingham-based garments group, reports a second-half losa and a pre-tax deficit of £832,000 in the year to March 19, 1980, against a surplus of £601,000 previously. Page 18

● PSA PEUGEOT-CITROEN is to form a vebicle electronics company together with Thomson-CSF, in which Peugeot will hold a controlling interest. Page 21

● CAVENHAM Holdings and iamond International, the U.S. wood prodncts company, have reached a five-year agreement under which Cavenham will be able to acquire a 40 per cent stake against its present 6 per cent. Page 21

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Beecham	128	+ 4
Clive Discount	43	+ 3
Combined English Stores	38	+ 4
Dobson Park	109	+ 4
European Ferries	150	+ 6
Flight Refuelling	288	+ 6
Glaxo	200	+ 8
Greenall Whitley	190	+ 5
Hawker Siddeley	174	+ 8
Hawthorn Leslie	88	+ 4
London Trust	20½	+ 3
Lonrho	86	+ 4
Lucas Inds.	196	+ 6
Ntnl. Carbonising	136	+ 8
Nthrn. Engineering	44	+ 3
Ottoman Bank	£59	+ 4
Pentos	56	+ 6
Tube Invs.	252	+ 8
Candecca	162	+ 7
Carless Capel	139	+ 4
Bougainville	133	+ 6
RTZ	387	+ 4
Rustenburg	220	+ 10

FALLS		
Arrow Chemicals	55	− 7
Borco Dean	24	− 2
Land Securities	306	− 4
Owen Owen	114	− 8
BP	350	− 8
Burmah Oil	224	− 9
Kloof Gold	£13	− ¼
Stilfontein	793	− 22
West Rand Cons.	244	− 22

Ministers in drive to keep pay deals behind price rises

BY RICHARD EVANS AND PETER RIDDELL

Senior Ministers launched a major campaign yesterday, coinciding with the main trade union conference season, to ensure that wage settlements in the next pay round were kept well below the rate of price inflation.

This emphasis was coupled with a reafirmation of the Covernment's commitment to a firm monetary policy, indicating that there was no prospect of an "economic U-turn."

This is supported by evidence that virtually all the Cabinet has come to tbe conclusion that a pay freeze or any form of incomes policy would not work in preseot circumstances.

There has been pressure from Conservative MPs for a freeze to be considered if autumn wage settlements are well above the inflation rate, and a recent assumption bas been that this view might be supported by a powerful group in tha Cabioet.

But three key Ministers have come to the conclusion individually that this would not be practicable becanse of the the Government and the trade strained relationship between unions.

The three, Mr. James Prior, Employmeot Secretary; Lord Carrington, Foreign Secretary; and his deputy, Sir Ian Gilmour, are all classed among the Cabinet's so-called "wets." Tbeir support would be necessary for any change of tack on incomes policy to have any prospect of success.

Their belief is that io the present industrial and political climate not even a statutory freeze, which has been successful in the sbort-term in the past, would ba effective.

Tbere would be too great a danger that a powerful group in the public seotor, such as the miners, would flout the legislatioo.

Virtually the only senior MInister wbo would support an incomes policy in certain circumstances is Mr. ePter Walker, the Minister of Agriculture.

Senior Ministers are still very worried about tbe inflation positlon, and have already started to "talk down," and try to influence expectations in the coming wage round.

In a major speech in Brighton to the annual conference of tbe Chartered Institute of Public Finance and Accountiog Sir Geoffrey Howe, the Chancellor, hoped that "pay negotiators everywbere realise that it will not be possible in the year abead to provide for earnings to increase at a rate than that can begin to compare witb infltion over the last year."

Lookiog at tbe prospects for public-sector cash limlts to be set this autumn, Sir Ceoffrey stressed that "tbe amount we provided last year for cost inflation must be the starting point for decidiog th eprovisloo to be made in the year to come, wben unlike last year the inflation rate will be falling."

He said he boped to bear a lot less about "catching np" and more about job security in the public sector.

Sir Ceoffrey was careful not to indicate any specific figure, but his remarks imply that the provision for labour cost increases in next year's cash limits will be less than the roughly 14 per cent rises allowed this year.

The other main theme of yesterday's speecbes was the outlook for interest rates. Sir Geoffrey stressed that "a reduction in interest rates, wben it does come, will of course imply no cbange in Government pollcy."

None of yesterday's speeches gave any clue about the timing of a Minimum Lending Rate decision, but tbey did not alter the widespread impression that a cut migbt come in the summer.

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Editorlal Comment, Page 16

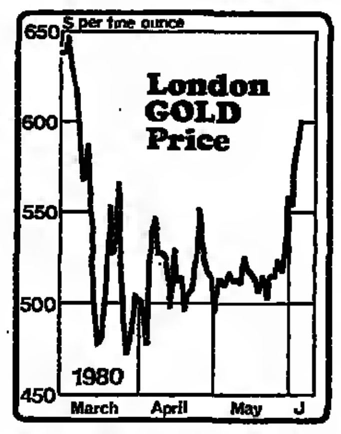
Gold price tops $600

BY DAVID MARSH

GOLD TOPPED $600 per ounce for the first time in three mnnths in Londnn yesterday. It finished an aetive week at $601 per ounce, $14 np on Thnrsday and $65.5 higher than a week ago, after active buying bad driven It to $606 at one point.

Fresh International demand was sparked off yesterday by renewed fears of a further rise in oil prices at Monday's meeting in Algiers of the Organisation nf Petroleum Exporting Countries.

The gold prica bas now risen by about $100 during the past fortnight. Cnneern aboot possible disruption of Sonth African gold mining after this week's bnmblngs of the country's oil installations,



as well as continuing tension in the Middle East, have contribnted to the npsurge in buying.

The rapld fall in U.S. interest rates and the sharp drop in the dollar compared with its April peaks have spurred lnvestors to switch from dollar investments into bnllinn.

Activity on the London market yesterday was the highest for several weeks, and the metal closed at its highest since March 7. It is still, bowever, some $230 below its peaks reached in January.

Significant demand bas come this week from the U.S. investors, while Middle East buyers are also believed to have been active.

The dollar had a quiet day yesterday. It slipped sligbtly against most major currencies, bnt closed nnchanged on a trade weighted basis at 83.7 according to the Bank of England's index.

Carter's oil plan veto is overturned

BY DAVID BUCHAN IN WASHINGTON

THE U.S. Senate yesterday dealt the death blow to President Jimmy Carter's ill-starred oil-import fee plan, when it followed the House of Representatives in overturning the presidential veto.

The votes against Mr. Carter's oil fee, which would bave raised petrol tax by 10 cents a gallon, were massive in both Houses.

The political blow to the President is considerable. Democrats deserted him in droves on the issue, because, they argued, the petrol tax increase would only marginally curb oil imports while giving inflation a fresh push.

It was the first time since 1952 that a Democratic-controlled Congress bas overridden a veto by a President of its own party. Mr. Carter suffered this bumiliation on Copitol Hill as Senator Edward Kennedy also made clear be will not yet drop his rivalry for the Democratic presidential nomination.

Mr. Carter fonght determinedly for his import fee plan at the eod, vetoing first a Congressional blocking resolution on Thursday. But Congress overrode this yesterday, with only 34 Congressmen and 10 Senstors supporting him.

Congress'a action has also ended court litigation about the import fee, which President Carter proposed last March at the time of his counter-inflation programme. Tbe Government had been appealing against a lower court ruling in May, which allowed the President to impose an import fee but said be could not force that fee to be passed on solely to petrol.

The import fee plan was never a major component of the Carter energy programme. But the Administration considered it a useful aign, to bot hfellow oil-importing countries and to foreign oil-producers, that the U.S. was serious in curbing its appetite for foreign oil.

Level of U.S. jobless rose to 7.8% in May

BY DAVID BUCHAN IN WASHINGTON

UNEMPLOYMENT IN the U.S. jumped sharply again in May to 7.8 per cent, the highest level since President Jimmy Carter took office. But the increase in wbolesale prices slowed to 0.3 per cent in the same month.

Government figures released yesterday sbowed for the second successive month the clear impact of the economic recession — falling economic activity leading to more job lay-offs but also to less pressure on prices.

The number of unemployed increased by 900,000 last month to a total 8.2m people. In percentaga terms, the May jobless rise matched the 0.8 per cent increase hetween March and April.

Wholesale prices, on the other band, showed a broad-based deceleration in May, risiog only 0.3 per cent and compared to a 0.5 per cent increase in April. This trend is mucb lower than in the first quarter of 1980.

Dr. Janet Norwood, Governmeot economist responsible for compiling pob and price figures, told Congress yesterday that the "encouraging" wholesale price news, with evident declines in car prices and mortgage Interest rates, suggested that politically sensitive consumer prices also dropped in May.

The 7.8 per cent jobless rate is the highest since November, 1976, the month tbat Mr. Carter defeated President Gerald Ford.

Dr. Norwood said that in May employment fell heavily in construction and maoufacturing, while in the white-collar, service sector job-growth slowed and the length of tha average working week declined.

David Lascelles adds from New York: A 13 per cent Prime Rate became universal yesterday as major banks followed Wednesday's lead by Chase Manhattan and Morgan Guaranty nf New York. Interest rates also extended their decline in the credit markets, helping bonds to pot on an impressive early rally.

£ in New York

—	June 5	Previous
spot	$2.3325-3340	$2.3185-3205
1 month	1.50-1.45 dis	1.52-1.44 dis
3 months	3.95-3.85 dis	3.87-3.79 dis
12 months	9.45-9.30 dis	9.40-9.25 dis

Videodisc makers combine to attack U.S. market

BY GUY DE JONQUIERES

A JOINT STRATEGY aimed at establishing a leading position on the U.S. market for videodisc systems has been announced by General Electric (GE) of the U.S., Thorn-EMI of Britain and Matsushita Electric and Victor Company of Japan (JVC).

The planned link-up will bring together CE's strength as a retail distributor, Thorn-EMI's programme material and disc-pressing resources and tbe work done by Matsushita and JVC in developing and manufacturing disc players.

It follows the agreement in April hetween Tborn-EMI and JVC to co-operate in developing vldeodisc technology, which opened the British market to the JVC system.

All four companies belleve the key to success in the future world market for videodiscs lies in caoturing early a good share of sales in tbe U.S. The JVC system will there compete head-on wlth two rival products: ooe developed by RCA of the U.S. and another from the Dutch Pbilips group.

The three types of system all enable material sucb as feature films to be prerecorded on a revolving disc and replayed oo a television set. But they all use different techoiques, and discs designed for one system cannot be played oo the others.

Only the Pbilips system has been launcbed so far and is beiog testmarketed in several U.S. cities. But developers of all three systems bave been investing massively, in tbe belief that the market will be at least as big as for colour television sets.

Yesterday's anoouneement provides for the creation of two US. joint ventures to produce discs and provide programme material and software. Thorn-EMI will have a 37.5 per cent stake in eacb company, with Matsushita and JVC jointly bolding a further 37.5 per cent, wbile GE retains an option on the remaining 25 per cent.

A tbird joint venture will be created to manufacture players in the U.S., in wbicb tbe sharebolders will be CE, Matsusblta and JVC. The companies plan to launcb tba system simultaneously in tbe U.S. and Europe late next year, thougb made in Japan.

RCA plans to put its system on sale in the U.S. in the middle of next year but has oot announced a date for the European launch. Tbe Phillips system is due to go on sale in the UK early next year.

The core of the programme material for the JVC system will be drawn initially from EMI's extensive film library, but talks are also being held on the possibility of producing discs in the U.S. using material provided by outside suppliers.

TV film levy urgcd. Page 14

Rank pulls out of film making

BY ARTHUR SANDLES

THE Rank Organisation is bringing its film productioo activities to an abrupt end. Preliminary work on eight films is being stopped immediately. If all had gone ahead it may bave cost £12m.

The move does not affect Rank's cinemas, its film laboratories or Pinewood Studios, but it does remove a major slice of iovestment from the British film-making scene, leaving Lord Crade's Associated Communications and Thorn-EMI as the prime names in the field.

Rank's decision, which came yesterday at a board meeting, ends a three-year-old re-entry into large scale film-making.

"The reasons are largely economic," said Rank last night. "Inflation bas climbed, affecting the film busines more than most other things. Interest rates have cllmbed. Capital is much more expensive."

Rank showed a trading loss of £1.63m jn 1979 on film production. Tbis compared with a profit of £212,000 in the previous year. "It is too early to tell how this year has gone so far," said Rank. The news, bowever, must bave been worrying for the axe to have fallen to beavily.

Success came early in the Rank film-maing revival. The Thirty Nine Steps proved a profitable venture. The productions that followed, however, while pleasing the critics did not pull in the crowds. Riddle of the Sands, the Lady Vanisbes and Eagle's Wing have not been best sellers at the box office.

The two most recent issues are Silver Dream Racer and, piquantly enougb, a film called Bad Timing.

The problem with film-making today is that productions have to be highly successful fairly quickly if the burden of interest rates are not to be crippling. Rank has not bad a film like ACC's Muppet Movie or EMI's Murder on the Orieot Express which produced such quick returna.

Rank will now have to look even more heavily to its American main suppliers, Twentieth Century Fox,

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OVERSEAS NEWS

Businessmen urge reform to help S. African blacks

BY QUENTIN PEEL IN JOHANNESBURG

BLACK attitudes in South Africa are hardening and political awareness is growing as a result of internal developments and the outcome of the Zimbabwe elections, a major South African business study warned yesterday. Determined reforms are needed not simply to remove discrimination, but to bring about real structural change, it says.

The warning came from the Urban Foundation, the organisation set up in the mid-1970s with the backing of virtually all the leading companies in South Africa in an effort to improve the quality of life in the country's black community.

In its latest annual review, published along with a survey on conditions in Soweto, the largest black township in the country, The Foundation calls for major departures from existing Government policy—in spite of its support from many leading pro-Government figures in the business community.

Mr. Jan Steyn, the director of the Foundation who took the job on the personal recommendation of Mr. John Vorster, the former Prime Minister, warns that the "forces in society which are designed to stimulate and sustain the processes of change, have as yet not acted with anything like the necessary vigour.

"Determined attempts to propagate an uncompromising, even revolutionary, course as the only effective change agent have gained some ground," he says. The commitment of both public and private sectors must not simply be "to soften the edges of a discriminatory system," but "to bring about real structural change."

In the Foundation's accompanying report on Soweto, it calls for the huge township outside Johannesburg to be treated as part of the same metropolitan area, in defiance of one of the basic tenets of the Government's policy of separate development. It also condemns as unjustified, the separate system of education for blacks.

The system of separate education for different race groups is the subject of a cotninuing boycott by African, Coloured (mixed race) and Indian pupils across the country. Although Coloured pupils in Cape Town and Johannesburg have announced their intention to go back to school, there were new boycotts yesterday at the University of Zululand, while in the Transkei homeland a state of emergency has been declared in schools.

● Mr. Japie Basson, information and foreign affairs spokesman of the opposition Progressive Federal party, has been expelled from the party caucus in Parliament for supporting the Government's new constitutional plans, which exclude blacks from a multi-racial President's Council.

Lecturer given stiff sentence

BY OUR JOHANNESBURG CORRESPONDENT

DR. RENFREW CHRISTIE, a former lecturer at the University of Cape Town, was yesterday sentenced to a total of 30 years in prison on charges of economic espionage under South Africa's Terrorism Act.

He was charged with passing details on all aspects of South Africa's energy supplies to the banned African National Congress, the organisation which claimed responsibility for the sabotage of the Sasol synthetic fuel plants this week.

He was also accused of passing on nuclear secrets, including a ground plan of the Koeberg nuclear power station being built outside Cape Town, and details of the district considered seismologically safe by the Atomic Energy Board for nuclear weapons testing.

Because of concurrent sentences handed down on four of the five convictions, Dr. Christie will serve an effective sentence of 10 years.

The sentence is not as heavy as had been expected, in the light of the dramatic sabotage of the Sasol plants. In mitigation, Professor David Welsh of the University of Cape Town described Dr. Christie, a former deputy president of the National Union of South African students, as "one of the most promising young scholars to come out of South African universities in recent years."

Meanwhile, the police have yet to report any progress in tracking down the saboteurs who blew up oil tanks at Sasol and the Natref refinery on Monday. They have revealed that the damage was caused by sophisticated limpet mines, one of which was recovered unexploded.

South African exiles in Swaziland claim that bomb attacks on the homes of two known sympathisers of the African National Congress living outside Manzini may have been the work of South African agents in retaliation for the sabotage. Two people died in the attacks and at least five were injured.

PRESIDENT NIMAIRI: Called Uganda summit.

Uganda talks opened without Moi

By Our Foreign Staff

THE troubled summit meeting of East African political leaders on the crisis in Uganda began in Arusha, Tanzania, yesterday with talks between President Jaafar Nimairi of Sudan, President Julius Nyerere of Tanzania, and the chairman of Uganda's ruling military commission, Mr. Paulo Muwanga.

The summit, which was called by Sudan, has been boycotted by President Daniel Arap Moi of Kenya, apparently because Dr. Nyerere would not agree to certain conditions stipulated by the Kenyan leader.

These were that Mr. Godfrey Binaisa, the Ugandan President who was overthrown three weeks ago by the military commission, should be released from house arrest in his Ugandan State House where he is being guarded by Tanzanian troops; and that Uganda's first President after the fall of Idi Amin, Mr. Yusufo Lule, should be invited to take part in the summit.

President Moi said on Thursday that the "meeting was "inopportune" in view of the unsettled situation in Uganda and that he had decided not to go. The Kenyan leader has also called for a meeting between Mr. Lule, Mr. Binaisa and Dr. Milton Obote, who was himself overthrown by Idi Amin.

Under discussion at the Arusha summit is a paper which suggests ways of improving Uganda's security and proposes arrangements to ensure a free and fair election later this year. Sudan is expected to suggest international supervision by the Organisation of African Unity or the Commonwealth, an idea which is thought to have little support from Mr. Muwanga.

The summit is the second of its type within two months. In mid-April East African leaders met in the Kenyan coastal town of Mombasa to discuss Uganda's problems.

At that time the meeting was welcomed as a sign of easing regional tensions, but events since, notably the overthrow of Mr. Binaisa, made it likely to be highly charged.

For President Nimairi and President Moi the fall of Mr. Binaisa was confirmation of their worst fears—a Tanzanian plot to reinstate Dr. Obote.

The Tanzanians vigorously reject the conspiracy theory,

EEC lifts growth forecast for 1980

BY JOHN WYLES IN BRUSSELS

THE European Community looks likely to enjoy slightly better than expected economic growth this year, although inflation in the Nine is running at a faster rate than predicted.

These are the main points in a paper prepared by the European Commission for next week's EEC heads of government summit in Venice. Revising their previous forecasts produced in February, Commission economists now see a possible 1.5 per cent growth in the community's gross domestic product this year compared with the 1.2 per cent forecast in February.

But as before, the statistics indicate sharp differences of performance between the Nine. Britain's GDP is expected to plunge by 2.6 per cent in contrast with predicted growth rates of 2.5 per cent in West Germany, 2.2 per cent in France and 3.5 per cent in Italy. Denmark is the only other country apart from the UK expected to suffer negative growth this year, with a contraction of 0.8 per cent.

The relative strength of the Community's economy at a time of recession in the U.S. and oil price-inspired inflation, will be seen as encouraging by the summit leaders next week. They will also welcome the forecast of a pick-up in activity next year which means, said the Commission, that the Community economy could be expanding at a 2.5 per cent annual rate by the end of 1981.

According to economists here, the current sturdy performance is largely due to greater financial strength in the corporate sector compared with 1974-75 and the fact that consumption levls are holding up quite well.

But the darker comparison with the period after the 1973 surge in oil prices concerns inflation. The Commission has raised from 11.3 to 12.3 per cent its estimate of community-wide inflation this year. It comments that "inflation momentum is now of the same order of magnitude as in 1974-75," and it sees no alternative to "maintaining broadly restrictive budgetary and monetary policies."

The differences in inflation between individual member states continues to be substantial. Britain tops the league, with a forecast 20.3 per cent increase for the year, closely followed by Ireland and Italy, with 19.5 and 19.6 per cent respectively, while West Germany trails with a modest 5.5 per cent.

The current buoyancy in the economy has prompted the Commission to lower its earlier forecast of a 6.4 per cent average unemployment for the year to 6 per cent, but the paper warns that "a strong increase" is likely in 1981. In the coming year employment problems could become worse, especially for young people entering the labour force, and for women, who will find their opportunities for "active participation in economic and social life" severely limited.

The Commission's forecast, which will also be discussed by EEC economic and finance ministers on Monday, are based on assumptions that there will be no major change in budgetary and monetary policies, that household savings ratios will stabilise and there will be sustained growth in export markets.

Sino-Soviet trade cut by 15%

BY TONY WALKER IN PEKING

TRADE between China and the Soviet Union will be down by about 15 per cent this year under the annual trade agreement which was signed yesterday between the two countries. "We were not prepared to be quite so generous this year," a Soviet official explained.

Most trade between the two countries is done by barter. Last year Sino-Soviet trade was worth more than $500m (£214m). This included the export of a number of Soviet-made motor cars to China in exchange for basic commodities.

A New China News Agency despatch has given few details of the new agreement. It said merely that an agreement on goods exchange and payment had been signed. The terseness of the announcement suggests that China is not satisfied with the deal.

Soviet officials have hinted that the reduction in trade reflects the further souring of relations between the two countries in the wake of the Russian intervention in Afghanistan.

Mr. I. T. Grishin, Soviet Vice-Minister for Trade, arrived in Peking on Thursday to sign the agreement which has been under negotiation for more than a month.

The cut-back in trade follows healthy increases in the past few years from a low point of about $41m in 1970. The new agreement is believed to provide for the further import of Soviet-built motor vehicles as well as other manufactured items.

Although there has been a shift in Peking's attitude to Moscow in the sense that the ideological differences between the two countries are no longer so severe, there is little prospect of an early rapprochement.

Soviet actions in Afghanistan have ensured that relations will remain icy for some time to come.

West Bank bombings praised

BY DAVID LENNON IN JERUSALEM

THE LEADER of an extremist Jewish movement who is under detention for plotting attacks against Arabs on the occupied West Bank of the Jordan, said yesterday that he was delighted by assassination attempts made against three West Bank mayors on Monday.

Rabbi Meir Kahane, accompanied by one of his followers in the Kach (Thus) movement, was speaking after the High Court in Jerusalem had rejected their appeal against administrative detention.

The court said that the evidence against the detainees pointed to a plot so serious that it could not consider the appeal. The appellants complained that they had been presented with no details of the charges against them.

Rabbi Kahane, a fanatical U.S. immigrant, who constantly advocates driving all Palestinians out of Israel and the West Bank, said that this week had been "a holiday for me and all of Israel.

"It seems that good and talented Jews took revenge for the blood of Jews that was spilled in Hebron last month," he said, referring to a Palestinian guerrilla attack in which six Jewish settlers died.

The Rabbi said that he hoped Mr. Bassam Shaka, the mayor of Nablus, who lost both legs in this week's car bomb attacks would soon be joined by all the people of Nablus in Amman, Jordan, where the mayor is receiving medical treatment.

Rabbi Kahane said that there could be no peace while the two peoples lived together. "The Jews must once again live in Hebron and Nablus and the Arabs in Damascus and Amman. The Jews to Zion and the Arabs to Arabia." he declared, before being taken back to prison.

Rabbi Kahane has only a few dozen active followers, but his views are shared by most members of the ultra-nationalist Gush Emunim settlement movement.

Ihsan Hijaz reports from Beirut: Mr. Bernd Debusmann, aged 37, bureau chief for Reuters news agency in Lebanon, was shot and wounded in an assassination attempt on Thursday night. Mr. Debusmann underwent surgery at the American University hospital to remove a bullet lodged in a muscle in his back. His condition was described as satisfactory.

According to witnesses, the attack occurred as Mr. Debusmann and his wife were leaving a party at a friend's house. A gunman fired several bullets from a passing car but Mr. Debusmann was only hit once.

The assailant drove off and there is no obvious motive for the attack. Mr. Debusmann, who is West German, has been in the Middle East for seven years and has been Reuters bureau chief for three years.

Greece acts to curb soaring inflation

By N. J. Michaelson in Athens

THE GREEK Government has taken a series of measures aimed at curbing inflation, this year again expected to exceed 20 per cent, and an estimated $2.5bn current account deficit accruing mainly from the high cost of crude oil imports.

Announcing the first part of the measures, Mr. Ioannis Boutos, the Minister of Co-ordination, said public expenditure was being restricted to the absolute minimum. The 1980 public investment programme, he said, will be kept at the budgeted Drs 58bn (£568.2m), which was about 10 per cent below last year's figure.

Petrol up

The price of petrol is being raised with immediate effect by 10 per cent to Drs 36 a litre (£1.62 a gallon) for high octane and Drs 30 a litre for regular grade. Central heating fuel was raised by 30 per cent to Drs 17 a litre.

The Minister said the Government will table a bill in Parliament soon which will include incentives aimed at encouraging company mergers, the creation of co-operatives and other readjustments in the trade sector. Another bill will provide further incentives for regional development. All investments made after June 1 this year will qualify for the incentives offered.

Agreement

A "gentlemen's agreement" between the Government and importers reached earlier this year was proving successful said Mr. Boutos—in the first four months of 1980 imports by the private sector increased by only 2 per cent, compared with 24 per cent in the same period of 1979.

To encourage foreign exchange deposits with Greek banks, commercial banks will be allowed from July 1 this year to freely set their interest rates on deposits in dollars and pounds sterling.

Talks on Belize future to be resumed

By Hugh O'Shaughnessy

BRITAIN, Guatemala and Belize are planning a rapid second round of talks on the future of Britain's only remaining colony on the American continent. The surprise meeting, which may take place this month, would centre on Belize's speedy accession to independence. The talks follow closely on a first round of negotiations which closed in Bermuda a fortnight ago.

Britain is seeking ways of ensuring Belize's security from attack from Guatemala after indpendence without, however, committing British forces to helping garrison an independent Belize.

Curbs likely on Dutch welfare

THE HAGUE—Mr. Andreas van Agt, Prime Minister of the Netherlands, said yesterday that Dutch national income is likely to show little or no growth next year, making curbs on social security payments almost unavoidable.

If policy were left unchanged, such payments would rise by about 2.5 per cent.

Reuter.

Downturn forecast for Kenyan economy in 1980

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A SERIOUS downturn in the Kenyan economy is reported in the Government's economic survey for 1980, published yesterday.

The countrty's poor economic performance in 1979 was affected by increases in the crude oil price, continuing low prices for its tea and coffee on world markets, drought conditions in the later months and credit restrictions on imports.

Real growth in gross domestic product fell to 3.1 per cent. This is among the lowest rates recorded in the 1970s and contrasts with the 8.8 per cent rate achieved in 1977.

The balance of payments recorded an overall surplus, though there was a current account deficit of K£207m (£236m). Substantial international borrowing meant net foreign assets rose K£73m. Exports increased slightly while imports were reduced due to the operation of the import deposit scheme. The terms of trade moved against Kenya, with a fall of 7.6 per cent.

Employment in the so-called "formal" sector rose by 6.7 pe rcent due to a Presidential directive to companies to increase their labour force by 10 per cent. Urban employment rose to 1.57m a quarter of the total labour force.

Last year was poor agriculturally because of the weather—coffee output was reduced and while tea output increased, prices wer lower. The two commodities earned farmer K£173m in 1979 against K£17m in 1978 and a record K£286m in 1977.

Manufacturing recorded moderate growth, with output volume up 7.1 per cent after 12.6 per cent in 1978 and 15.9 per cent in 1977. Exports of manufactures to Uganda were subject to what are called "difficult political conditions." The closure of the border cut exports to Tanzania.

Oil imports in 1979 cost K£145.7m, recouped by K£76.9m in export sales to neighbouring countries. In 1980 the net cost to the country of oil, at K£110m, will take all the earnings from the major export, coffee.

The economic review says the outlook for 1980 is not good. The major problem area is balance of payments. High world sugar prices might benefit the country, however, and Kenya is also looking to more coffee exports.

Development expenditure outlined in the development plan has been scaled down from K£1,202m to K£991m, while projected growth for the five years of the plan has been reduced from 6.3 to 5.4 per cent a year.

Campaign for 'Premier Sanjay'

BY K. K. SHARMA IN NEW DELHI

PRESSURE MOUNTED yesterday for Mrs. Indira Ghandi, India's Prime Minister, to allow her son, Sanjay, to take over the Chief Ministership of the politically important northern state of Uttar.

On Thursday Mrs. Gandhi made a public statement that Sanjay would not be appointed. But a meeting of the recently-elected Uttar Pradesh legislature party, most members of which are hand-picked by Sanjay, adopted a resolution asking Mrs. Gandhi to allow her son to become Chief Minister.

The Congress party legislators decided to meet the Prime Ministerto persuade her to submit to their wishes on the ground that Sanjay "is the only person who can solve the problems of Uttar Pradesh." An announcement is expected within a couple of days.

What amounts to a "Draft Sanjay for Chief Minister" movement has thus been launched, and it seems to have been carefully orchestrated. Sanjay himself modestly stayed away from Lucknow, the capital of Uttar Pradesh, where the legislature party meeting was held. But his followers were present in strength and backed the resolution, which was adopted unanimously.

Miracle needed to bring OPEC mavericks into line

BY RICHARD JOHNS, MIDDLE EAST EDITOR

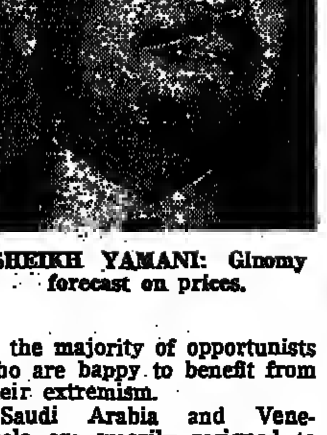
"SAUDI to oppose OPEC move for $20 a barrel," read the headline in the Financial Times almost a year ago on the eve of the regular biannual Organisation of Petroleum Exporting Countries' ministerial conference in Geneva.

Then the official selling price for the Kingdom's Arabian Light "marker" crude—still then regarded as the basic reference for all other varieties—was $14.55 and the weighted average for OPEC as a whole was $16.35. Arabian Light, now even cheaper than its equivalents, today sells at an official rate of $28 and the weighted average is almost $32.

A year ago there was some uncertain optimism that six months of chaotic leap-frogging set off by the Iranian revolution and the temporary cut-off in Persian supplies would be brought to an end. It was disappointed in Geneva. Then, more bitterly, at Caracas last December strenuous efforts to bring prices into line—led by Venezuela and Saudi Arabia, the only members who could be called "moderate" were defeated.

On Monday when OPEC delegates assemble again in Algiers, neither Sheikh Ahmed Zaki Yamani of Saudi Arabia or Dr. Humberto Calderon Berti of Venezuela will be nursing any hopes of restraining the disorderly pricing scramble, nor bringing about a rational OPEC structure.

The attitude of the three militants dedicated to ratchating up prices — Iran, Libya and Algeria — should ensure that, together with the connivance of the majority of opportunists who are happy to benefit from their extremism.



SHEIKH YAMANI: Gloomy forecast on prices.

Saudi Arabia and Venezuela are wearily resigned to the fact that only a miracle will bring about alignment of prices at this meeting. Last month, in a dignified understatement, the normally sanguine Sheikh Yamani expressed doubts about the chances of price reunification at Algiers.

It would only be possible, he said, "if the other OPEC members are prepared to take firm decisions with regard to their price levels—in other words, to move their effective price levels downwards to meet the Saudi price levels somewhere."

In OPEC one thing is certain: while members may be prepared to trim premiums or surcharges, they will never contemplate lowering official selling rates.

Shiekh Yamani's pessimism contrasted with predictions that by mid-year market conditions would be such as to make alignment of prices possible.

As a result of a mild winter, reduced consumption, and increased non-OPEC supplies, market conditions have softened to the point that the spot market has been dead for more than a month, storage tanks are full to bursting point even in Japan, and stocks are equivalent to about 85 days' requirements—their highest for four years.

With the steady build-up of inventories now complete, despite the cuts imposed by producers such as Kuwait and Libya, supply will exceed demand as long as—and it is a big proviso—total OPEC output remains at its present level.

The "mini-glut" has enabled some customers to resist paying premiums demanded by Kuwait and Qatar. Nevertheless, another round of leap-frogging involving a flat increase of $2 a barrel following Saudi Arabia's decision on May 14 to raise its rates by that amount backdated to April 1 has taken place.

According to Sheikh Yamani, the decision was taken to lay the basis for a re-unified price structure and to recover some of the profits enjoyed by the Kingdom's four privileged partners in the Arabian American Oil Company who lift the bulk of its production.

Twice before, in December and in January, Saudi Arabia's attempts to close the gap have led to a new round of price increases. It has been speculated that at Algiers the Kingdom might propose a deal whereby it would move up another $4 and reimpose a production limit of 8.5m barrels a day compared with the 9.5m b/d maximum over the past year in exchange for other members of OPEC freezing their prices until the end of 1980.

SELECTED OFFICIAL SELLING PRICES
($ per barrel)

	Current	Jan. 1 1980	June 1979	End-1978
Saudi Arabian Light (34)	28.00	26.00	14.54	12.70
Saudi Aribian Medium (31)	27.00	25.00	14.05	12.32
Iranian Light (34)	35.37*	30.37	18.47	12.81
Iranian Heavy (31)	34.37*	29.64	17.74	12.49
Iraqi Kirkuk (36)	30.18	28.18	20.00	12.88
Iraqi Basrah Medium (30)	29.30	27.30	19.00	12.00
Kuwait (31)	29.50	25.50	19.30	12.22
Abu Dhabi Murban (39)	31.56	29.56	17.90	13.26
Libyan Zueitina (41)	36.72	34.72	21.31	13.90
Algerian Saharan (44)	38.21**	33.00	20.95	14.10
Nigerian Bonny (36.71)	36.71	29.99	20.98	14.12

Figures in brackets denote API gravity.
** Includes premiums, etc.*
*** Includes exploration surcharge.*

Theoretically, this might look a plausible compromise but seems unlikely in the light of past experience, particularly the breach of $23.50 ceiling solemnly agreed in Geneva for the second half of last year.

Such a pact would require agreement on the problem of price differentials between a range of crude—the shoal on which the formula for a settlement worked out by Saudi Arabia and Venezuela at Caracas was wrecked.

Sheikh Yamani has talked of a "collapse of oil prices by next autumn or next spring at the latest." On best assumptions they would presuppose Saudi Arabia continuing production of 9.5m b/d. Even then such a forecast seems to underestimate the degree to which oil prices have become inelastic as far as demand is concerned, except at the highest margins, and the ability—indeed, preference—of several to cut back production in response to any downward market pressure.

The paradox of a situation where producers have arbitrarily increased prices despite a technical, albeit small, market surplus is now an accepted fect. It was the result, initially, of disruption and fears of shortages in the aftermath of the Iranian revolution.

More fundamentally there has been the transition, very rapid over the past three years, of the traditional distribution system from 1970, with the producing states taking control of the selling of about 40 per cent of their exports. Fragmentation and compartmentalisation of the market has made prices relatively insulated from classic market forces.

Meanwhile, prices have reached a point where five producers at least—Saudi Arabia, Kuwait, the United Arab Emirates, Qatar and Libya—have no economic incentive to keep output at present levels except insofar as they want to invest funds abroad as an alternative source of income.

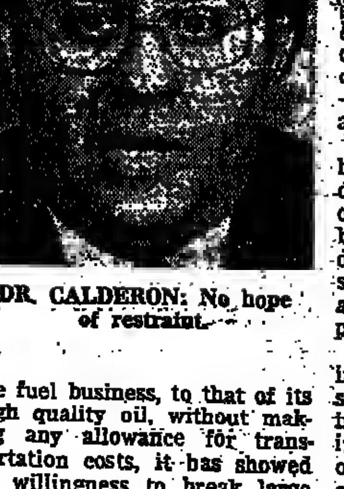
Together they should account for four-fifths of the $80-110bn total OPEC surplus in prospect, but to varying degrees they have developed misgivings about the exposure of their mounting assets.

At one extreme is Saudi Arabia, trying strictly to control the rate of increase in its spending in its battle against inflation and for social reasons, but is destined to add another $30bn or so to an accumulated surplus totalling $80bn at the end of 1979.

Commenting on the possible use of the Arab oil weapon, Shaikh Yamani said in a recent interview that Saudi Arabia had used it in the interests of the West by raising its output to compensate for the fall in Iran's production. But he has warned that (quite apart from Arab-Israeli politics and the unresolved Palestinian problam) "this unrequited and sacrificial attitude will not go on indefinitely."

At the other extreme Algeria, with an output only one-tenth of the Kingdom's, needs every cent it can obtain. Last year it more than doubled its income from hydrocarbons but only managed to reduce its debt-service ratio from 25 per cent to 22 per cent.

Yet in its insistence on linking the price of gas, which is used at the "dirtier" end of the fuel business, to that of its high quality oil, without making any allowance for transportation costs, it has showed its willingness to break large and valuable long-term supply contracts.



DR. CALDERON: No hope of restraint.

Next week's meeting could usefully discuss the principles that should govern differentials for the day—if it ever arrives—when the collective political will exists for setting a base price and setting other rates accordingly. In the same context more detailed discussion is recognised as necessary on the price of natural gas following the decision of the extraordinary conference in Taif last month which formally approved the recommendations of the ministerial committee on long-term strategy—but with three important "reservations," those of Iran, Libya and Algeria.

They objected to details of crucial proposals about adjusting prices quarterly. The three main elements of the formula were an index of inflation in international trade based mainly on exports of OECD countries; an automatic exchange rate factor made up of a basket of 10 leading currencies (including the dollar) and—to give increases in real terms based on average OECD growth rates.

The underlying aim is to bring prices into line with developing alternative sources of energy over a period of time but also to make increases predictable for producers and consumers alike, and to establish an orderly supply-demand pattern.

Iran, Libya and Algeria insisted that the inflation index should be based on OPEC imports and the device for improving real income from oil on members' own extraordinarily high growth rates, a proposal which—if implemented—would be bound to create a vicious inflationary circle.

No plan can be implemented without agreement on a base price and differentials, of course. Immediately there seems no prospect of breaking the deadlock. The odds are that a minority of three militant mavericks will ensure an inconclusive and untidy meeting on an issue of vital importance to the world.

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David White follows in the footsteps of Edward VII, the Duke of Windsor, Haile Selassie and Frank Sinatra

Biarritz: fighting off old age with dignity and charm

LIKE A very old and very distinguished lady, with clothes a trifle too fashionable for her age, but with all the composure and cariage of her Victorian upbringing, Biarritz is starting this year's tourist season as if nothing were amiss.

After months of calm, a recent resurgence of violence brings back memories of last summer, when for a few weeks disaster seemed about to strike. Nothing can be absolutely certain any more in this corner of the Bay of Biscay, the tranquil French side of the politically volatile Basque country.

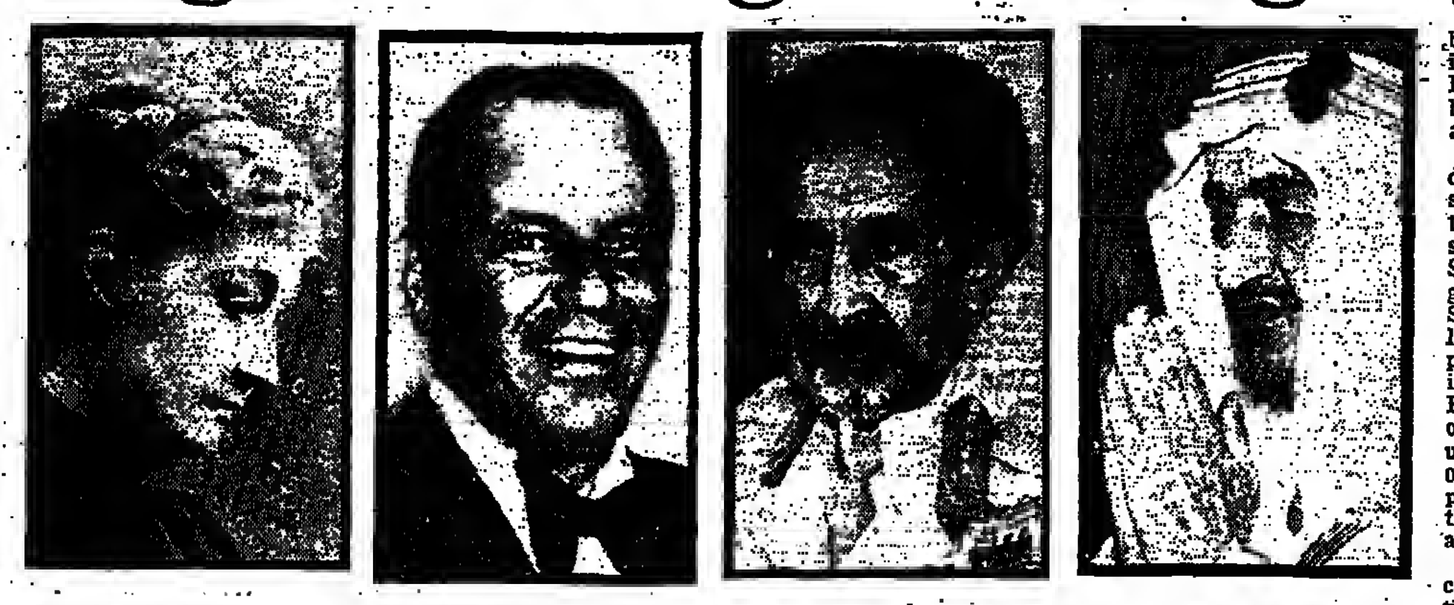
Biarritz and its English-style villas have had to survive the battering of changing fashions, of what the French call the "democratisation" of holidays, of economic crises and now the Basque troubles, which every so often spill over the border and shake the conservative complacency of the south-western tip of France with bombings and reprisals.

The town has not altogether stood up to change. This year, the Biarritz waterfront boasts ane more new hotel, some say ane tao many. And, as a man from the local tourist board said wistfully: "The custom is no longer the same."

The symbol of Biarritz, the hotel known simply as Le Palais, *dominating* the Grande Plage and one of the few real palaces of its kind left in Europe, is closed now between October and Easter. The great state rooms lie dark and—except for plastic fruit trees in the conference hall—lifeless. When the season opens, the occupants of the vast rooms and suites with their twin beds—especially appreciated by the English, or so the caretaker says—are in fact more likely to be French executives than English earls.

It became a hotel in the 1890s, built around the summer residence of Napoleon III and his Spanish-Irish wife, Empress Eugénie, whose portrait, e gift from the Emperor, hangs in the bar. Edward VII brought the English with him, and the Duke of Windsor kept them coming. Alphonse XIII of Spain stayed here, and so did Haile Selassie. The anecdotes are numberless: Frank Sinatra shocking the waiters by ordering vodka in champagne glasses, King Faisal of Saudi Arabia having to have a special outsize bed made, the Duchess of Windsor demanding that all her room furniture be re-covered in blue (the management complied).

There are still regular clients—including a lady from Toulouse who arrives the day the hatel opens and leaves the day it closes, year after year—but at FFr 500 to FFr 1,200 (*£52 to £125*) a *night far a* double room in high season, they no longer bring their maids and chauffeurs. Although the racecourse is still open the *Biarritz meetings, like those of* Deauville, are nat what they were.



Empress Eugenie (left), portrait in the bar . . . Frank Sinatra, vodka in a champagne glass . . . Haile Selassie, frequent guest . . . King Faisal, outsize bed . . .

A British group is naw reported an the paint of taking over the Palaise, along with Biarritz's once-renowned casino's. The town council had to buy the the hotel in 1952, when Renault, the car company, launched plans to turn it into a holiday home. Until a cauple of years aga it was losing money.

Several other great hotels have *simply disappeared. In* 40 years, more than 1,500 three-star and fanr-star botel rooms have been last in Biarritz. The Miramar, bigh-spat of *les années folles*, failed ta recover properly after the last war, and the 50-year-old building was demolished at a cost of FFr 8m. Tbe new Loews, with a flat complex aimed at U.S. clients, stands on the site. Other hotels bave gone up, and the fine surfing beaches have brought new *clients*. But *tourism still* faces e series of problems.

Three of them stem fram nearby Spain. First, there is Basque nationalism. Bombings last July brought headlines about "holidays of fear," and a stream of cancellations. Boakings dropped by 20 to 40 per cent, and it was thanght the season would he ruined.

A taurism official was quick ta point out that Biarritz did not have the same Basque problem as, far instance, nearby S. Jean de Luz. The population was mare cosmapolitan than Basque, and on average rather ald. In any case, he said, Biarritz was not actually in the Basque country, although the brochure he handed out was called, precisely: "Biarritz in the Basque cauntry."

The second problem emanating from Spain is pollutian. The Bay af Biscay's currents *bring any floating body—including* bodies—on to the French Basque coastline. Agreements between aPris and Madrid have attempted to solve the problem.

The third problem is the defectian of the Spanish themselves. While Germans replace the disappearing British in the summer, Biarritz relies on Spanish shappers ta keep it gaing in the winter. But Spaniards, apparently, no langer *like going* there, either because people in Madrid have the impression that the wbale Basque region is in the throes of revolution, or because Franco used to spend holidays nearby, or because the value of the peseta has dropped, or because they now no langer have to go abroad to visit a casino.

Biarritz maintains two casinos, never open at the same time. The croupiers and the *management are the same* in both. The Municipal—a council building—is open in winter and the Bellevue in summer. They have not been spared the troubles affecting other casinos throughout France, but their licences stipulate that they have to keep providing the service.

The first attempt at attracting visitors all year round is a thermal seswater bath complex, attached ta the Loews building—a would-be "health industry" in a town which is perhaps itself in need of being rejuvenated. It is run by "Loulson" Bobet, a former *cycling champion who was* the victim of a bad road accident.

Many young locals resent the area's dependence on seasonal *tourism*. Although it makes up only 20 to 25 per cent of business, alongside aerospace and other factories, fishing and service industries, unemployment is endemic.

The mayor, M. Bernard Marie, believes that tourism has to remain Biarritz's only real vocatian. A Gaullist, local member of parliament, son of a hotelier, and (an even better credential in this part af France) a farmer international rugby referee. M. Msrie wants to make the most of the town's elitist stamp. There was, after all, a time when Biarritz had more *cashet* than the Côte d'Azur. He wants no more awful modern hotels. "Biarritz is nat rotten with taurism. We are not trying to stuff people in."

The population expands from 27,000 ta 200,000 in the high season, but this is nothing compared with S. Trapez, where it is said to multiply by 30.

Biarritz bas lost the sun-seekers, and in 90 years the Atlantic breakers have crumbled its famous cliffside walks. But the town has somehow managed ta rescue its dignity and its charm; the fishing part, wbich was all it was when Qneen Victoria set the Biarritz trend, is still intact.

Spain angry at Giscard over EEC

By Our Madrid Correspondent

SPAIN'S Minister for European Affairs, Sr. Leopoldo Calva Sotelo, yesterday angrily rejected any attempt by France's President Valety Giscard d'Estang to delay Spanish entry into the EEC.

"The accumulation of problems to which M. Giscard *refers* is absolutely unreal." Sr. Calvo Sotelo told the official news agency EFE. "Our country does not have any bndgetary problems as does the United Kingdom. . . . It is absolutely false af the French President ta link twa quite separate problems."

Indignation in Spain was reflected by Press headlines that ranged from "Giscard acts like de Gaulle" and "the door it slammed on Spain's face" to "Giscard blocks Spanish entry to gain the French agricultural vote."

Spaniards had become ac*customed to opposition to* Spain's entry from the Gaullists and from the French Communists but had up to naw found a friend and ally in M. Giscard.

The outrage that M. Giscard had switched sides was voiced by the President *of the Congress Foreign* Affairs Committee, Sr. Ignacio Camunas, who said it was "particularly distressing" that the French President had become a party to electioneering tactics.

The Government said the French position on Spain's entry to Europe *would* be studied in depth at a Cabinet meeting yesterday.

There is all-party backing far Spain's entry to Europe. Spain's already substantial trade links with the EEC are reflected in the 1978 figures, which made Spain the Com*munity's sixth customer* and eighth supplier.

West German provinces oppose aid to Britain

BY ROGER BOYES IN BONN

THE WEST *German* Government's plan to finance the EEC Budget package for Britain has come in far harsh criticism from the country's provincial States. They have made clear they do not want to shoulder the bulk of the costs.

Herr Hans Matthoefer, German Finance Minister, said on Thursday that the 11 states (Laender) wauld have to contribute a larger slice of VAT revenue to the Federal Government to help *raise finance for the EEC deal*. West Germany has to pay the largest portion — almost DM 2.8bn—under the EEC deal.

The Finance Minister stressed that if no arrangement was reached with the States be would have to raise petrol and alcohol tax.

But now Ministers from many af the States—both Christian Democrat- and Social Democrat-controlled—have said that the Federal Government should provide the money itself.

The sharpest protest has coma from Herr Franz Josef Strauss, the Bavarian Premier, who bappens to be Opposition contender *for the Chancellery in the October electians. Bavaria,* he said was not prepared to come up with the necessary funds because it was Bonn's jab to make additional savings.

Herr Strauss meanwhile has announced his official line-up for the Octaber elections. The campaign will he spearheaded by a triumvirate af Herr Strauss, Herr Helmut Kahl, chairman of the Christian Democrats, and Herr Gerhard Staltenberg, State Premier of Schleswig Holstein. If Herr Strsuss wins the electian, Herr Stoltenberg effectively will became Vice-Chancellor and Finance *Minister*.

A team of nine politicians, inclnding trusted allies of Herr Strauss like Herr Friedrich Zimmermann, and a few former party enemles like Herr Rainer Barzel, will farm a loose type of Shadow Cablnet. Herr Strauss has nat given anyone a farmal Shadow ministerial *role, mainly* to prevent internal baggling in the four-month run-up to the polls.

A second team of 11 paliticians, *embracing many of tha* Christian Demacratic State premiers, bas been announced. The overall strategic idea af the line-up is ta deflect criticism that the Oppositian is relying too heavily on the persanality of Herr Strauss. Recent Christian Demacratic lasses in State *elections have shown that there* is a strang antipathy to Herr Strauss in Narth Germany—a broad-based team sbould thus make it easier ta mabilise voters.

Herr Strauss' vulnerability to criticism was furtber illustrated yesterday by initiation of legal proceedings agslast Herr Werner Schroeter, the film directar. Herr Schraeter said in a recent interview that he would like ta serve Herr Strauss s "little bomb" disguised as a traditianal Bavarian sausage.

The Bavarian Prosecutor's *Office* bas now *apened* a case against Herr Sebroeter on suspicion af incitement to criminal actian, glarificatian af vialence, and libel.

FDP's existence 'in danger'

BY JONATHAN CARR IN FREIBURG

THE LIBERAL Free Democrat Party (FDP) af West Germany has begun its national congress with a warning from its leader *that* it faces the toughest election campaign in its history, and that its existence is in danger.

In a strongly-phrased speech to 400 delegates bere yesterday, Herr Hans Dietrich Genscher, the FDP chairman and the Farelgn Minister, said the three-party system in the Federal Republic was balanced *on a knife's edge*.

He warned that "tactical games and small-mindedness" would simply confuse *the elec*torate, and might drag the FDP below the crucial 5 per cent mark in the General Elections on October 5.

This would leave the country with only two large blacks, tbe Social Democrats (SPD), and the *Christian Democratic* Unian (*CDU*)—Christian Social Union (CSU) under its candidate for the Chancellorship, Herr Franz Josef Strauss.

Hans-Dietrich Genscher

Herr Genscher made it clear once more that the FDP plenned to continue its coalition with tbe SPD in Bonn, which has endured for a decade. This strategy has heen u nderlined by leading party bodies ln the past few weeks.

But he also stressed that the party wauld bave ta make quite exceptional efforts to evoid the fate which hefell it reccntly in the local election in the Stele af North Rhinte-Westphalia.

There, tbe FDP narrawly failed ta gain the 5 per cent mark and so vanished from the State Parliament. At the last General Election, in 1976, the *FDP secured anly 7.9 per cent* of the national vote.

The FDP congress is followed on Monday by that of SPD, which will he opened with a keynate address from Chsncellar Helmut Schmidt.

Turkey in food-for-oil talks with Iran

BY ANDREW WHITELY IN TEHRAN

TURKEY IS negotiating to buy mare Iranian crude ail, provided a salution can he found to the difficulties it apparently has in paying for the 1.9m tonnes it has already agreed to take this year.

One proposal likely to be accepted is that Iran shauld buy mare food such as meat and wbeat from *Turkey in a semi*-harter deal far a propartion of the ail bill, estimated at nearly $500m.

A large Turkish economic delegatian now in Tehran is expected to conclude talks an these and other trade and transport matters over the weekend.

The delegation, which arrived on Wednesday, includes representatives from the Turkisb finance, trade, transpart and agriculture Ministries as well as the central bank, state oil company and Ankara board of industry.

Sources close ta the negotiatians say talks bave been hampered because Iran is uncertain bow much surplus oil it will have far the rest of the year.

The price af the crude has apparently already been set at $33.50. In addition Turkey will probably buy a limited quantity of fuel ail at a discount.

Last month Turkey and Iran signed a transit agreement dropping cbarges for Iranian trucks using Turkish roads in return for an extra 400,000 tounes of oil. It seems Turkey *is now* prepared ta offer *further* transpart facilities far Iranian imports.

Sama af Iran's massive faad purcbases from abroad are already being brought by sea ta Turkey's Mediterranean ports and then by rail. However, for the past two manths this raute has been blocked by Kurdisb rebel actian alang the Iranian side of the railway line.

Reuter adds from Ankara: Mr. Suleyman Demirel, the Turkish premier, yesterday renewed his plea for early elections, saying "Turkey is bleeding" as a result of maunting palitical terrorism that has taken mare than 1,700 lives.

Mr. Demirel, whose minority gavernment took over an Navember 25, was alsa threatened yesterday with the withdrawal af support af the Maslem fundamentalist Natianal Salvation Party and the extreme Natianalist Action Party.

U.S. votes $5bn foreign aid

BY DAVID BUCHAN IN WASHINGTON

THE U.S. House af Representa*tives* has approved a $5.2bn (£2.2bn) Fareign Aid Bill far 1980-81, less than 100m below wbat President Carter asked far.

Much debate turned on the issue af assistance to the new Government in Nicaragua. In the end, $25m in economic aid was approved, bnt a smaller amount of military aid was struck out.

Nicaragua was pramised some emergency aid last year; bnt this has been tied np since in discussions on Capitol Hill. Anxious to reassure the Govern*ment in Managua*, the *Adminis*tratian is despatching a good-will delegatian this week. It will be led by Representative Jim Wright, the Hause majority leader.

The Senate Foreign Relatians Cammittee bas so far approved a Foreign Aid Bill of just under $5bn, and this will be taken up by the full Senate later this month. Neither the President nar the Congress are inclined to let fareign aid undo their effarts to balance the 1980-81 federal budget.

French vehicle sales suffer sharp decline

BY TERRY DODSWORTH, IN PARIS

THE FRENCH vehicle market went into a sudden and vialent reverse in May after several months of withstanding the accelerating fall in general consumer spending this year.

Soma decline was expected last month, in the wake af surprisingly buoyant April sales which seemed to have pulled farward a large number of deliveries.

But the sharpness of the fall—down by 23 per cent compared with last year — leaves little doubt that the French market is now entering a depressed periad, on the same, but probably less exaggerated, pattern to the one that has hit the *U.S.* and West *Germany*.

French manufacturers themselves have been anticipating such a decline by selectively cutting back output. All three constituents of the PSA Peugeot Citroen group have given extended holidays in the past six months. Two of them, Citroen and Talbot, have also gone on to shart time.

While these three companies suffered a setback this year, Renault, the nationalised group, maintained the vitality of the market until April by lifting its French sales by about 25 per cent. Renault's registrations, however, also drapped last month, falling by about 27 per cent, according to provisional figures.

For the first time, last month, the PSA group registrations fell less sharply than Renault's, leaving the private company ahead on total sales—some 64,000 against 52,000. But for the year as a whale Renault is still decisively in front, having sold some 356,000 cars in France during the first five manths compared with 337,000 at PSA.

With Talbat sales extremely depressed, and Renault taking advantage of its greater range of more economical vehicles, PSA will hsva a bard struggle to re-establish the market leadership which it won in France with the acquisition of Talbot, formerly Chrysler Europe. Imports, meanwhile, have fallen by about 7 per cent during the first five months.

Sasse members to sue another syndicate

BY JOHN MOORE

MEMBERS of the troubled Lloyd's underwriting syndicate once headed by Mr. Frederick Sasse are suing another Lloyd's syndicate to recover money to meet their £20.2m losses.

The syndicate is Number 563, under the management of S. A. Meacock. The representative underwriters being sued are Mr. M. J. Meacock and Mr. L. A. Blackburn. The action is to be defended, and an appearance has been entered to the writ.

If the action is successful the 110 members of the syndicate may recover over £7m from amounts due under two reinsurance contracts, though no amount has been specified in the writ.

Lawyers for the Meacock syndicate have made an application, to be heard in the courts on July 7, that the High Court proceedings be stayed and that arbitration proceedings incorporated in the contracts of reinsurance be followed. This application is being resisted by lawyers acting for the Sasse syndicate.

This latest action is one of several which the syndicate has commenced. The members of the Sasse syndicate are suing Lloyd's several *underwriting agents, and the* Instituto de Resseguros do Brasil, the Brazilian reinsurance institute.

There has been a secret meeting at Lloyd's this week of several underwriting agents; Mr. Peter Green, the chairman of Lloyd's; and lawyers representing Lloyd's, to discuss ways in which an out-of-court settlement can be arrived at with members of the Sasse syndicate.

A highly confidential report prepared by the auditors Baker Sutton, now part of Ernst and Whinney, into the syndicate's financial affairs is due to be passed to the chairman of Lloyd's and the chairman of Additional Underwriting Agencies (No. 2), the group managing the Sasse syndicate's affairs, on June 23.

The City of London Police fraud squad, which has been investigating the affairs of the syndicate since 1978, has waited for completion of this report *before completing its* own inquiries. The report is several months overdue.

Oil prices go up, with threat of more rises

BY MARTIN DICKSON, ENERGY CORRESPONDENT

LEADING OIL companies yesterday announced price increases likely to add 2p to 3p to the pump price of their petrol —and warned that further rises could follow next week's meeting of the Organisation of Petroleum Exporting Countries.

The companies were following the lead set by Shell, which raised the wholesale price of its petrol by 2.41p a gallon on Tuesday, equivalent to about 3p at the pumps. Like Shell, the companies which put their prices up at midnight blamed the increase largely on the recent $2 a barrel rise in the cost of North Sea crude.

The increases—the second for most companies in three weeks—mean that wholesale petrol prices have risen by up to 20 per cent since the start of the year. They bring the average pump price of a gallon of four star to between 135p and 137p.

Esso, the joint UK market leader with Shell, put its wholesale petrol price up by 2.27p a gallon—*the company's third rise* in as many weeks. Increases for its other products include 0.5p a litre on autodiesel, 0.6p on regular kerosine and 0.5p on gas oil.

Esso warned that the OPEC meeting to start in Algiers on *Monday*, could *trigger* more increases soon.

Mobil, National Benzole and BP Oil raised the wholesale price of a gallon of four star petrol by 1.4p, while Texaco went up 1.55p. The prices of other products also went up, though in some cases there was no rise in derv or fuel oil.

The Motor Agents' Association said the increases were "a bit terrifying" and suggested companies might be heaping price rises onto petrol rather than the weak chemicals market.

● The British National Oil Corporation, operator for the North Sea's Halibut group, announced that its exploration well 211/18A-21—not far from the Thistle field — had encountered hydrocarbons and would be tested for commercial potential.

The well is a step-out—designed to discover the size of a field—and lies 2 km north-north-west of the 211/18-12 well where oil was discovered in 1976.

BNOC's partners in the Halibut group are Santa Fe Minerals, Deminex Oil and Gas (UK), Deminex UK Exploration and Production, Tricentrol Thistle Development and Charterhouse Petroleum Development.

Warning of disaster if Labour's balance of power is altered

BY RICHARD EVANS, LOBBY EDITOR

MR. WILLIAM RODGERS, one of the most outspoken Right-wing Labour MPs, warned last night that the party was heading for disaster unless the relationship between its various elements was maintained.

In the latest development among Labour's warring factions, he attacked Left-wingers who were deliberately denigrating the work of the Parliamentary leadership and Labour MPs, and warned there was now a plain choice to be faced.

Either the long-standing relationship between the Parliamentary Labour Party, the Conference and the National Executive Committee could be preserved by mutual co-operation and respect or there would be persistent guerrilla warfare that would polarise and split the party.

Mr. Rodgers, speaking at Maidstone, did not name Mr. Anthony Wedgwood Benn, but he was clearly the main target. One of the key planks for constitutional reform advocated by the former Energy Secretary has been the supremacy of the annual party conference at the expense of the PLP.

Mr. Rodgers said he found it difficult to understand how anyone who had served as a Labour MP for many years could wish to minimise the contribution of his Parliamentary colleagues. To despite the role of MPs and the leadership they chose was to despise Parliament itself.

Meacher challenge on low pay

By John Hunt,

MR. MICHAEL MEACHER, Labour MP for Oldham West, last night demanded that Mr. John Nott, the Trade Secretary, *should make a statement* to the Commons next week on wages paid by British companies operating in South Africa.

He has written to Mr. Nott accusing him of making misleading statements in a TV programme on Thursday and calling on him to come before the House and "set the record straight."

New towns' cash limits raised

THE NEW TOWNS BILL, which raises borrowing limits for the new towns, was given a third reading in the Commons yesterday without a vote.

The original proposal, part of the Local Government and Planning (Number Two) Bill, became so bogged down in the Commons that the Government had quickly to introduce a separate short Bill to enable the towns to meet their requirements.

Their borrowing powers are raised from the present range of £2.7bn-£3.2bn to £3.6bn-£4bn.

Attempt to rescue china company

BY ELAINE WILLIAMS

AN ATTEMPT to save Royal Stafford China, which announced its voluntary liquidation on Thursday, is to be made by Mr. Kevin Dickin, its managing director.

Mr. Dickin, who left the company yesterday, *said* that he hoped to be able to acquire the assets of Royal Stafford China and set up a new company, if he could obtain enough financial backing.

Royal Stafford, which employs 215, has been up for sale for two months, but no offers have been made so far.

The company, founded in 1845, was bought two years ago by Maddock, a London holding company.

Last year its trading loss was £250,000.

Mr. Dickin said that he could deliver a bone china cup and saucer set to the trade for £1, but equivalent Taiwan crockery cost only 65p.

● Weatherby Woolnough, which used to print many racecards, closed down its entire printing operation yesterday, with a loss of 37 jobs, after a series of disputes. The company's *remaining 90 staff will* work at bookbinding.

● Ninety workers are to lose their jobs at Dart Spring, West Bromwich, which has been hard hit by the slump in the motor trade.

● Redpath Engineering, after a work-sharing agreement with the unions, has cancelled its planned closure of Glengarnock works in Scotland because of an increase in offshore engineering orders. The company is a BSC subsidiary.

● Baker Perkins at Peterborough, which makes baking and biscuit-making machinery is making 160 workers of its 2,000 staff redundant.

Fairey Holdings to lay off 230 Stockport workers

FAIREY HOLDINGS is to lay off 230 of the 1,100 workers at its Stockport engineering works because of the recession in the engineering industry.

The company, whose ownership is being sold by the National Enterprise Board to Doulton for £24m, said manning levels at Stockport had been under review since early this year. The decision was taken on Tuesday.

The Stockport works is Fairey's largest single operation, accounting for 63 per cent of its assets and 53 per cent of turnover last year.

The redundancies were said to be an indication of the squeeze on the engineering works' profits and had nothing to do with the Doulton purchase negotiations.

Fairey specifically denied that the redundancies had been delayed because of these negotiations.

Early this week, Doulton said negotiations had been delayed by its request that Fairey confirm its 1979 profit estimate. The deal is expected to be completed by the end of June unless the profit estimate is substantially reduced.

BSC acts over lay-offs

THE British Steel Corporation yesterday began efforts to create new job opportunities to compensate for the heavy redundancies planned at its Port Talbot and Llanwern plants in South Wales.

BSC (Industry) Ltd., the Corporation's subsidiary formed five years ago to help attract new jobs to areas hit by steel redundancies, is to start work immediately in the Port Talbot and Newport areas. Manning reductions at the two plants will result in the loss of about 11,300 jobs—most of them by the end of this year.

BSC (Industry) is already active in other steel areas where jobs are disappearing and is working to a target of 10,000 new job commitments this year, with 2,000 secured since April 1. Last year it succeeded in obtaining 6,000 commitments

Improve status of engineers, says Charles

PRINCE CHARLES, President of the Council for Academic Awards, said yesterday that Britain must improve the status of engineers and encourage those with skills in manufacturing if industry is to be successfully regenerated.

The Prince, opening a one-day conference on engineering degree courses at the Polytechnic of London, told delegates: "The reason for my interest and concern is based on the simple observation that if we are going to regenerate industry in this country, compete anywhere near successfully with our major competitors, and create sufficient wealth to pay for such expensive luxuries as universities and all the other facilities we take for granted in modern society, then we have no alternative but to improve the status of the engineer and encourage those whose skills are essential to the manufacturing potential of the United Kingdom."

TV films levy urged

THE FILMS BILL, restructuring the National Film Finance Corporation, was given a third reading yesterday. Mr. Stanley Clinton Davis, for Labour, said it was not radical enough and proposed a levy on TV companies for all films they showed.

Parr resigns

MR. JOHN PARR, the first director of the Confederation of British Wool Textiles, is to resign only a year after his appointment. He was previously head of the social affairs policy directorate at the general secretariat of the Council of Ministers in Brussels.

More cases pending over pregnancy testing drug

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE IMPLICATIONS of pending legal claims alleging that a pregnancy testing drug caused severe deformities in children were even wider than the thalidomide case, the Court of Appeal was told yesterday.

Law suits were pending, or threatened, throughout the world over the drug Primodos, said Mr. Roy Beldam, QC, for the drug's manufacturers, Schering Chemicals AG, of West Germany, and its English subsidiary, Schering Chemicals.

Primodos was first marketed in England in 1958 and became the most widely used pregnancy testing drug. It is no longer marketed.

Two actions by parents who allege that their children were born with congenital malformations and deformities induced by the use of Primodos by their mothers are due to be heard in the High Court in October, 1981.

Schering is appealing against a High Court ruling that three other English claims should not be tried until the first two cases have been decided.

The manufacturers also want the question of whether or not the drug could be blamed for the deformities tried as a preliminary issue before the main actions on negligence.

Mr. Beldam said that in the five English cases it was being alleged that Primodos was capable of causing almost all the deformities known to medical science, although it was admitted that the casual connection was not as clear as in the thalidomide case.

Even in the claims themselves there was a suggestion that it was unknown to medical science how, if at all, Primodos could have caused the deformities.

At the core of the case was an allegation that Schering had been negligent in failing to have the drug properly tested and had failed to pay adequate regard to some 70 medical papers on the subject. But the companies had produced in evidence about 400 such papers, some of which concluded that there was no connection established between Primodos and the deformities.

Mr. Beldam said that it was not possible to treat the first two actions as test cases because the types of deformities in all of the cases differed. But together, the five English cases covered more than 90 per cent of the types of injuries involved in the problem as a whole.

Schering has a worldwide reputation in the field of synthetic hormone preparations, of which it had had 30 years' experience. It is a responsible company that hoped to be able to make financial provision if found liable.

But it would be virtually impossible to do so if it were still to be faced with claims in many years' time.

The hearing continues on Monday.

Worldwide campaign against sea fraud

BY MAURICE SAMUELSON

THE GROWING menace of fraud on the high seas is to be considered by the Inter-Governmental Maritime Consultative Organisation, representing 118 nations.

Unlawful seizure of ships, cargoes and other forms of maritime fraud—known as barratry—will be studied by a working group set up by the organisation's 24-nation council, which met in London this week.

Maritime fraud has become a serious problem in recent years and, according to some estimates, is costing about £100m a year. In some cases goods ordered by a customer have disappeared en route, only to turn up in a completely different destination where they have been sold to another buyer.

Sometimes the ship used to carry the cargo has been scuttled after the transaction and insurance claimed for both ship and cargo.

The council was told that most cases in the past three or four years involved a ship more than 15 years old, which was on a single voyage charter and was its owner's only vessel.

'Lorry dating service' to be launched by BRS

A "LORRY dating service," which aims to match empty lorries with suitable return loads, has been launched by British Road Services, part of the State-owned National Freight Corporation.

About a third of all goods vehicles on Britain's roads at any given time are running empty, because operators cannot find return loads.

The new computerised system, called Datafreight, has been developed by BRS at a cost of £100,000. There are now 30 branches in the country. Hauliers who use the system will be charged £75 for membership and £50 a year for each vehicle.

BRS hopes to have 70 Datafreight branches throughout the country by the end of the year.

It will cost nothing to offer loads or vehicle capacity through the system and inquiries about loads and vehicle space will also be free.

BRS said it would also be licencing the system to larger operators. Interest has already been expressed by British Steel and Dunlop. About £250,000 is to be set aside by BRS to develop the system further.

● Roadside checks on lorries at nights and weekends are to be introduced to catch licence dodgers, Mr. Norman Fowler, the Transport Minister, announced yesterday.

● The Association of District Councils expressed general approval for the Government's White Paper on roads published Thursday, but said some of its districts were disappointed that certain schemes have been deferred for the time being. The White Paper put back more than 100 schemes, many of which had been given a starting date by the previous Labour Government.

Cuts in aid 'could effect investment'

By Robin Reeves, *Welsh Correspondent*

A BLUNT warning that cuts in regional development aid could affect his company's future investment decisions was given yesterday by Mr. A. T. Shadforth, chairman of International Nickel, Europe.

Speaking at the inauguration of a £10m fluid bed roaster and associated acid plant at the company's Clydach refinery, near Swansea, Mr. Shadforth said the availability of Government grants had been a decisive factor in the group's decision to undertake the new investment in South Wales.

"We received Government assistance amounting to about 40 per cent of the total capital expenditure on the project. For Clydach to cease to be eligible for regional development grants is a cause for concern. It might remove the plant from consideration for further investment," he said.

Clydach had not been the only location considered for the current project. Some of Inco's operating units elsewhere in the world also deserved careful consideration, but in this instance the Government grants had been decisive.

At the same time, Mr. Shadforth warned unit production costs at Clydach were increasing faster than at comparable operations in the company's home base, Canada. High UK inflation and a strong pound were a big part of the problem.

In reply, Mr. Nicholas Edwards, the Welsh Secretary of State, emphasised that the Government was reviewing urgently the areas covered by regional policy in the light of the steel redundancies and other job losses.

It is widely assumed that the Government will soon announce the upgrading of the nearby Port Talbot (and Llanwern) area to Special Development Areas, now that the cutback in Welsh steel jobs has been largely agreed.

Victorian paintings in demand

A PAINTING by John William Waterhouse, Nymphs finding the head of Orpheus, set an auction record for the artist at Christie's yesterday when it sold for £42,000 (plus the 11.5 per cent buyers' premium and VAT). It is only a sketch of the painting exhibited at the Royal Academy in 1901, but the price shows the continuing strength of demand for attractive Victorian paintings. The buyer was the London dealer, Pawsey and Payne.

Another Waterhouse, The Necklace, made £15,000, as

SALEROOM

BY ANTONY THORNCROFT

against the 9 gns it sold for at the artist's studio sale in 1926.

The auction totalled £498,140. Other high prices included £28,000 by another London dealer, Roy Miles, for Portrait of Gracia, by Millais; and Render Unto Caesar, by Charles Spencelayh, which sold at Christie's for 340 gns in 1954, fetched £13,000 yesterday.

A second Spencelayh, The Last Night of Hanuka, sold for £12,000. It was sold by Mrs. R. S. Levy, whose late husband was Spencelayh's patron, having the artist under contract to him while allowing him rent-free accommodation in Manchester from 1918-34.

U.K. CAR REGISTRATIONS

	May 1980	%	May 1979	%	5 months ending May 1980	%	5 months ending May 1979	%
Total UK produced	55,620	43.39	83,627	43.27	317,705	42.61	371,534	44.70
Total imported†	72,554	56.61	109,642	56.73	427,865	57.39	459,624	55.3
Total market	128,174	100.00	193,269	100.00	745,570	100.00	831,158	100.00
Ford*	41,594	32.45	59,221	30.64	238,131	32.07	240,368	28.92
BL	23,133	18.05	35,528	18.38	139,082	18.65	169,905	20.44
PSA—Talbot	9,110		14,740		45,801		62,821	
Peugeot	1,796		5,009		12,969		18,550	
Citroen	2,204		3,048		14,697		15,552	
Total PSA	13,110	10.23	22,797	11.80	73,467	9.85	96,893	11.16
General Motors—								
Vauxhall*	8,320		12,847		57,627		55,954	
Opel	1,458		3,362		11,183		13,427	
Other GM	86		174		462		533	
Total GM	9,864	7.70	16,383	8.48	69,272	9.29	69,914	8.41
Datsun	7,624	5.95	10,691	5.53	37,538	5.03	44,354	5.34
Renault	7,536	5.88	10,371	5.37	44,210	5.93	46,100	5.55
Fiat	3,333		6,014		20,136		31,927	
Fiat Lancia	444		1,255		2,120		4,944	
Total Fiat Auto	3,777	2.95	7,269	3.76	22,256	2.99	36,871	4.44
VW/Audi	5,307	4.14	8,102	4.19	29,604	3.97	33,050	3.98

* Includes cars from companies' Continental associates which are not included in the total UK figures.
† Includes cars from all sources including cars from Continental associates of UK companies.

Source: Society of Motor Manufacturers and Traders

Nurses vote against industrial action

BY PAULINE CLARK, LABOUR STAFF

ANY PROSPECT of united industrial action by Britain's nurses in their present pay row was virtually ruled out yesterday by leaders of the Royal College of Nursing.

An emergency council meeting of the 137,000-strong union decided "after much heart-searching" to oppose all forms of industrial action by nurses.

Even if a ballot of the membership on the issue this summer produced a majority against its recommendation, the result could not be acted upon until the next annual meeting.

Since this cannot take place until October it seems extremely unlikely that the college's members will become involved in any industrial action programmes which may be formulated by other nurses' unions over this year's confrontation with the Government over pay.

The college has joined the Confederation of Health Service Employees, the National Union of Public Employees and other unions representing Britain's 490,000 nurses and midwives in expressing anger at the Government's refusal to lift the 14 per cent cash limits ceiling on nurses' pay following an 18.7 per cent inflation award to doctors and dentists.

Miss Catherine Hall, general secretary of the RCN, said the future of the union's industrial action policy would depend on whether a two-thirds majority voted in favour of changing the rules to authorise action in the forthcoming ballot.

"At the moment and under present policy," she said, "the answer to industrial action must be no."

After long consideration, the council had been unable to identify forms of action which would be effective but would not harm patients.

The RCN had been looking at forms of disruptive action which would affect hospital administration and embarrass the Government.

Unions back continued Callaghan leadership

BY OUR LABOUR STAFF

GROWING support for Mr. James Callaghan to remain as Labour Party leader emerged yesterday from senior trade union leaders.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said he had never known such a popular party leader.

"To my mind, he can stay forever. He will go down in history as one of the finest Prime Ministers and leaders of the Labour Party we have ever had."

The Transport and General Workers' Union has also announced its support for Mr. Callaghan.

Mr. Sid Weighell, general secretary of the National Union of Railwaymen, said he knew of no leader who would have obtained a better result for Labour in the last election. But if Mr. Callaghan decided not to contest the next election as party leader, he should stand down to give his successor time to build support.

Mr. Weighell said that if Mr. Callaghan retired his logical—and most experienced—successor would be Mr. Denis Healey.

Unexpected support for Mr. Callaghan came from Mr. Ken Gill, general secretary of TASS, the white-collar section of the AUEW, on the basis of opposition to Mr. Healey. He said, however, that he would prefer to see Mr. Anthony Wedgwood Benn as leader in the longer term because of "the sensitivity *he has shown* towards the unions."

Mr. Frank Chapple, general secretary of the electricians' union, said that Mr. Callaghan was too old to stay on as leader and should retire soon. But he had no views on a successor.

Mr. John Chalmers, general secretary of the Boilermakers' Society, said that he fully backed Mr. Callaghan.

Other unions, including the print union SOGAT, the white-collar APEX and the National Union of Public Employees thought the issue was one for the party directly rather than individual unions.

Former MP loses appeal

Mr. EDDIE MILNE, the former Labour MP, has lost his appeal against a High Court ruling that he was not entitled to be re-employed by his union when he lost his seat in Parliament.

The Court of Appeal held yesterday that by standing as an Independent in the February, 1974, general election, Mr. Milne had disqualified himself from the rights he had previously had as an MP sponsored by the Union of Shop, Distributive and Allied Workers.

Lord Justice Buckley said *Mr. Milne* had disqualified himself from USDAW's Parliamentary representation scheme. To qualify, one had to be a member of the Labour Party; to stand as a Labour Party candidate; and to be willing to take the Labour whip.

Mr. Milne had chosen to stand as an Independent and it was impossible to regard him as *having been* an USDAW Parliamentary candidate.

Weighell insists on 'fair' Tory incomes policy

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT was warned yesterday that if it decides to turn away from its present economic strategy and adopt instead an incomes policy, it must be applied fairly to the private as well as the public sector.

The warning, from Mr. Sid Weighell, general secretary of the National Union of Railwaymen, follows clear indications from senior Ministers that pay increases, at least in the public sector, will have to be kept below the rate of inflation.

Mr. Weighell, a supporter of the notion of incomes policies, said yesterday that despite the assertions of the Prime Minister and her colleagues that they would not have an incomes policy, the Government would have to act "very soon to stop the runaway."

Writing in his union's journal, he said: "The storm is raging in their faces. And behind the facade they are already acting to check the mad rush into chaos."

Indications of the Government's readiness to try to control some incomes showed that it was "beginning to drive into the first bend of a U-turn on policy."

Mr. Weighell said that without corporate planning, which had to include incomes, there was "no chance of holding back the consequences of this lurch into anarchy."

Planning within the public sector, though, was not enough. *Public sector* workers would not accept lower standards than those available in the *private* sector. "The private sector must be as tightly controled and planned as the public sector."

Food retailers study no-redundancy plan

BY JOHN LLOYD, LABOUR CORRESPONDENT

A DRAFT of a new technology agreement between the shopworkers and some of the country's biggest food chains is being studied by retailers.

The Union of Shop, Distributive and Allied Workers has presented the outline agreement to the Multiple Retailers' Association which, if accepted, would guarantee no redundancies in exchange for co-operation in working with computerised check-out and stock control systems.

The draft also includes a proposal to establish joint union-management committees to monitor the introduction of new techniques and to decide staffing levels and training requirements.

Tesco has already reached a no-redundancy agreement with the union and introduced computerised systems on a trial basis in some of its stores.

Members of the Retailers' Association include Finefare, Key Markets and International. USDAW does not expect that the new systems will be generally introduced until 1982 or 1983.

Mr. John Flood, *the union's* deputy general secretary, who is conducting talks on the new technology agreements, told the annual conference of the Co-operative Personnel Services Association recently that the benefits of new technology should be shared between retailers and workers.

"We believe there should be no need to accept redundancies in the situation which is confronting us. Jobs must be protected. The employment background makes flexibility on this impossible on moral grounds."

The Retailers' Association said last night that the draft would require careful consideration, and that no talks with the union were planned for the immediate future.

THE WEEK IN THE MARKETS

Firm going on the flat

LONDON

ONLOOKER

On the basis that an injured nag can come through and win the Derby, there is no reason why equities should not make progress whatever the economic portents. Despite a dull beginning, shares took the first leg of the account at something of a trot, shaking off Lucas' big redundancies and, on Thursday, one broker's severe downgrading of his estimates for ICI's profits this year. The FT Index was up by over 12 points on the week at the close of yesterday's session.

Conditions in the money market have been more relaxed than for several weeks but credit tightened toward the close. The Bank of England has called in £1bn of the outstanding £1.5bn loan to the market, thus tightening conditions and increasing its ability to time any change in interest rates.

The stock market is still looking for an early cut in MLR. Gilt-edged prices at first reacted badly to the realisation that the reduced EEC budget contribution is not going to bave any immediate effect on the Public Sector Borrowing Requirement, or to rates. But, although the new medium tap Exchequer 13½ per cent made a dull debut at par in its £40 form, Government stocks bave been mostly firm.

A rentier's route

How many companies would risk a massive rights issue in the current liquidity climate and pay for it, moreover, with a dividend yield of about half the market average? The blunt answer is that few, if any, corporate treasurers in the manufacturing sectors would seriously consider such a cash call for more than a few moments. Despite the severe strain on industries' cash resources, funds raised by rights issnes in the five months to the beginning of last week had reached only £101m compared with £531m in the same period last year.

It is not hard to see why the route is blocked. Industrial equity prices are dull, the potential dilution is enormous and the dividend carrot would have to be juicy indeed. Bound up with that is the dispiriting outlook for manufacturing profits this year, which suggests that companies would be handing back most of this year's rights issue proceeds in the form of next year's increased dividend distribution.

Leading property shares are among tha few exceptions. Land Securities Investment Trust will more than donble the cash to come out of the rights issue pipeline this year with its call last week for £108m on a one-for-six basis at 263p per share.

Profits last year climbed 44 per cent to £38.1m and analysts are looking for something in the region of £50m this time. Its properties are estimated to have jumped in value by 25 per cent last year and net debt is currently no more than 16 per cent of capital employed. But why bother with e rights issue if fresh cash is not a pressing requirement? It is not as if Landsits is about to embark on an ambitious development programme. Far from it: the group will confine itself to refurbishing what it already has.

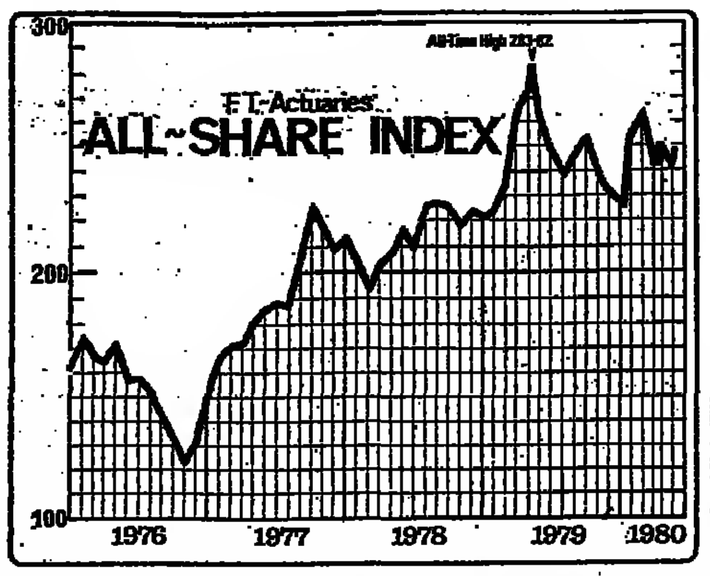
The property sector's traditional trick is to borrow long and to lever growth ont of a mixed investment and development portfolio. Bnt by going back to shareholders, it seems that Landsits has now decided that capital appreciation on new projects will not exceed the rate of inflation even if the true cost of borrowing is possibly still negative. That conld be true. Property growth is, after all, inextricably linked to rising commercial and indnstrial confidence or, in current circumstances, the lack of it.

For the moment, however, the property sector can tread where few others dare and contemplate raising major new tranches of capital at minnscula cost. British industry, counting its pennies, can only look on enviously.

On the spot

Nearly all British Petroleum's profits are coming from tha North Sea and Alaska while the vast amounts of capital tied up in downstream refining and manufecturing operetions are making little return at all. Thia is tha picture to emerge from Thuraday'a announcement of first qnarter figures. Net income of £504.7m is predictably mucb higher than the comparable £270m and the "more realistic" current cost profit, which BP prefers to highlight, is shown at £161m against £120m.

BP does not offer much guidance on bow it adjusts from historic to current cost figures bnt at least it does spell out the contribution from the North American Sohio company. The CCA figures from Sohio jumped from £38m to £77m leaving only a £2m increase to £84m for the rest of the group despite the higher contribution from the North Sea's Forties and Ninian fields.



Snpply problems following the disruption in Iran and Nigeria have forced BP to buy an increasing proportion of its crude on the spot market. The premium of spot over official oil prices was not large during tha first quarter but even so BP was unable to reconp increased replacement costs, and losses from its European refining operations may have been fairly serious.

There is more worrying news. While chemicals ann plastics sales were "satisfactory" at the start of the first quarter, by the close of the three months they were in severe decline. The position appears to heve deteriorated even further since the end of March, particularly in the UK wbere demand from the textile and construction industries is well down.

BP's sober comments on cbemicals and plastics was echoed by the Chemlcals Industries Association which said in its spring economic bulletin that "already inadeqnate profit margins will be squeezed further."

Sugar suspense

The Office of Fair Trading'a decision to refer Berisford's £120m bid for British Sugar has given the contestants time to lick their wounds and plot strategy. Berisford will doubtless bope that the referral indicates the Government is waiting for an excuse to strike a deal on its 24 per cent stake.

British Sugar itself may decide that ettack is the best form of defence. Long before the Berisford approach, it made no secret of the fact that diversification was planned for the early 1980s. With its heavy capital spending programme out of the way, the company was hoping to use its growing cash flow for a move ont of sugar beet.

This strategy could now be eccelerated. Berisford'a resources are already stretched and an acquisltion could place Britisb Sugar neatly out of reach. Mr. John Beckett, the beet company'a chief executive, was unforthcoming about hia policy last week. "There's more than one way to kill a cat," be intoned darkly.

If British Sngar makes a move, it will almost certainly need to pay cash. All its authorised capital is used np and this would not be an opportune moment to ask sbareholders for more. Borrowings at present are at a high level, to finance sugar beet stocks, but the company can afford to wait several months before it takes an initiative. It is apparently well within its overdraft limits even now.

Seeing the world

With exchange controls lifted, Britisb investors seem to be flocking abroad with sharply higher portfolio investments. This week the Central Statistical Office (CSO) revealed that UK residents increased their foreign equity holdings by £461m in the first quarter of this year, a rise of 55 per cent over the last quarter of 1979.

This brings the total amount of foreign securities held by British residents to around £9.5bn, according to the CSO.

Meanwhile, banks increased sterling loans overseas by £400m during the first qnarter as restrictions came off lending to foreigners. These capltal ontflows were, however, more than compensated for by e surge in sterling boldings. Foreign residents increased sterling holdings by £742m in the first quarter of 1980 on the back of an increase of more than £3bn in 1979.

The capital inflows came from various sources, lnclnding foreign central banks, and helped the UK to achieve e surplus of about £1bn on capital account in the first quarter.

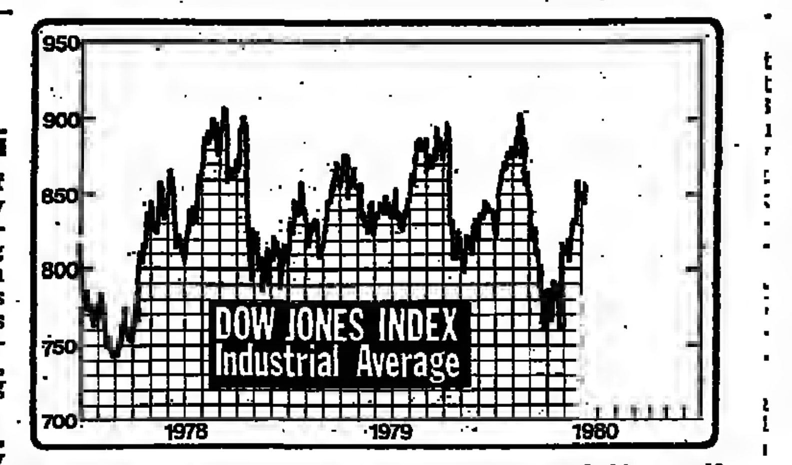
MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1980 High	1980 Low	
FT Ind. Ord. Index	428.7	+12.6	478.8	406.9	P.M.'s hint about interest rates
Beales (John)	18	−7	37	18	Nervous awaiting results
British Northrop	10	−6	32	10	Auditors qualify accounts
Burco Dean	24	−10	58	24	Poor interim results
Burmah Oil	224	+21	249	162	Revived speculative demand
Comet Radiovision	69	−10	99	68	Ahead of and after annual results
European Ferries	150xd	+21	150	98	Chairman's encouraging statement
Gold Mines of Kalgoorlie	356	+102	356	175	Bullion price upsurge
Land Securities	306xd	−20½	342	244	Proposed £108m rights issue
MIM Holdings	235	+22	312	187	Buoyant Australian sector
Matthews (B.)	203xc	+33	205	122	Demand in thin market
Milford Dicks	137xd	+20½	187	113	Persisting bid hopes
National Carbonising	136	+20	148	104	North Sea oil enthusiasm
North Kalgurli	81	+14	81	44½	Bullion price upsurge
Pentos	56	+11	69	45	Persistent speculative support
Ratners	60	+13	60	42	Renewed speculative demand
Reed Int.	187	+20	206	163	Div. increase/statisfactory profits
Sainsbury (J.)	365	+20	365	280	Annual report/prop. revaluation
Vickers	121	+14½	144	99½	Nationalisation comp'n hopes
Wilkinson Match	122	+17	160	105	Revived speculative demand

Changing prices, changing minds

NEW YORK

STEWART FLEMING



WITH MORE clear evidence of the recession coming yesterday in the shape of soaring unemployment and sharply falling producer prices, the qnestion banging over Wall Street is whether the stock market has already discounted the long-beralded economic downturn, or whether shares are heading for another big tumble.

In the first part of the week, wben prices stuttered, nobody was sure. Then, when they soared on Thursday in their biggest gain for six weeks, everyone said it had. But by the end of the week they were not eo sure again.

Those who believe the recession has already made its mark point to the sharp drop in share prices in March and April when the Dow bovered dangerously close to its lowest known support level—750. If one accepts that the recession atarted at the end of January, wblch is what the gurus are saying, and the average recession lasts three qnarters, there is every reason to believe that the U.S. is halfway through.

In post-war recessions, share prices turned about half to two thirds of the way through. Only once, in 1953-54, did they turn earlier than that. So the Dow's recent gain of more than 100 points would suggest that investors beve begun to anticipate the recovery and are looking "across the valley" to the new peaks beyond.

Bnt this version smacks a bit of Wall Street brokerage "hype." For one thing, the dimensions of the recession are still far from clear. Analysts disagree widely over its depth and length, as well as over its likely impact on corporate profitability.

There is also e lot of bad news still to come. The enormous drop of nearly five points in the latest leading economic indicators is e sure sign of that. And the next quarterly reporting period which starts in e month's time is bound to bring depressing results and some gloomy forecasts.

As for this week, most of the action was in stocks which have little to do with the economic cycle, and their gains probably gave the market a misleading boost. The market also got carried away by further cuts in the prime rate. This has now reached 13 per cent, down from its 20 per cent peak less than two months ago.

But it still has aome way to go before it gets back in step with the rest of the credit market. On yesterday'a money market rates, the prima should be in the 10-11 per cent range. Clearly, it will reach this level before long. The tougber question is whether it will break into single figures by the end of this year. The best answer is, probably.

Biggest gainers this week were the energy stocks. Again. These passed ont of favour in the spring but mounted something of a comeback in the past two weeks. OPEC price rises bave belped, but there is renewed speculation about oil and gas discoveriea in North America.

Standard Indiana managed to fuel the fever on Thursday by announcing a large gas find in the Overthrust Belt in Utah which pushed its stock up e conple of points. Mobil also gained on rumours of a pending announcement abont its Hibernie Field off the Canadian Atlantic Coast. Most other oil majors advanced e few points, thanks to some extent to the strong negative vote in California to a proposal for a special 10 per cent tax on oil earnings.

Gold and silver stocks were also strong in the wake of the recovery of the precious metals market.

The rest of the excitement centred on takeover stocks thanks to the sudden merger wave whicb seems to have swept through U.S. industry.

The Californian savings and loan industry is shaking itself down with a merger proposal between Great Western, No. 2 in the indnstry, and Financial Federal worth about $220m. This is the second offer Financial bas received in two months, but it looks as if this one will go through. Getty Oil then waded in with a £570m bid for ERC, a Kansas City insurance company, evidently looking for somewhere to park its buge profits from soaring oil prices. The bid marks a major diversification move.

Two railway lines also decided to cast their lots together; Norfolk and Western, and Southern. The $2bn merger means the U.S. private freight industry will now be concentrated in five large and profitable companies, much as predicted.

Against this background, Sir James Goldsmith's Cavenham group continued to slog it out with Diamond International, finally reacbing agreement yesterday to limit Cavenham's interest to 40 per cent for five years. In a curious example of mistaken jndgment, Mr. Kirk Kerkorian, the film magnate, offered to buy shares in MGM'a newly spun-off film-making unit for $5 a share, only to aee them trade et donble that price. Mr. Kerkorian beat a hasty retreat.

One of the victims of takeover fever was Kerr McGee, the oil and uranium group. The company has persistently been rumoured as a takeover target, and its shares have put on $15 since mid-May in spite of repeated denials from the management that anything was cooking.

Monday	847.35	−3.50
Tuesday	843.77	−3.58
Wednesday	858.02	+14.25
Thursday	858.70	+0.68

They're going up Down Under

AUSTRALIA stands out like a shining light at the moment against a dark background of uncertainty and talk of recession in most other financial centres. The Down Under mining and oil stocks are bubbling along merrily to the extent that one hroker said this week: "It's boom-time again."

Of course, he was referring particularly to the oil, gold and diamond speculative favourites. But good money is also flowing into the quality stocks such as Western Mining which are now up to 248p after having dipped below 200p during the April-May general market setback.

Why is Australia getting the "favoured nation" treatment from world investors? For e start, it must be remembered that, recession or no recession, there is always investment money looking for a home. Pension funds and the rest need income, preferably from "safe" areas and Australia is regarded with some justification as politically stable in an uncertain world.

At the same time, exchange controls are still very much in force as far as the Australian institutional money is concerned and such funds are largely locked into the domestic market as a result.

Add to this tha fact that all institutional investors, who ere not necessarily smarter than you and me, also tend to follow the band-wagon of a rising market; fund managers answerable to their peers are frightened of missing this wagon, even though they may feel that there could be better buying opportunities at e later date.

All this, however, does not alter the fact that if there is to be e really deep world economic recession it must affect Australia to some extent. The answer to this one is that if you are going to be hard up, it won't feel so bad if all the others are even worse off. All things are relative.

The reason why Australia is better placed than many other countries lies in her abundant and relatively cheap reserves of energy. Coal, uranium, oil, gas are all there and new discoveries continne to be made. There is also, of course, a huge mineral potential and—believe it or not—the country has been little more than scratched in an exploration sense.

The power advantage can be used to extend the country's production of refined metal on terms which competitors may find it hard to match. Aluminium is a prime target in this respect because it uses so much power in the refining process. In fact, I have beard the metal described as "solidified electricity."

The possibilities of growth in the metal refining field are not lost on the Australians. Sir Donald Hibberd, chairman of the Rio Tinto-Zinc group's Comalco aluminium complex recently pointed out that, generally, oil-fired power stations are no longer an economic source of electricity for aluminium smelters and for this reason over 30 per cent of Japan's smelting capacity is now idle.

MINING

KENNETH MARSTON

Needless to say, Australia is not without its problems, notably in difficult labour relations. But the country does appear to have the edge on others in the mineral scene, at least, end while I am not suggesting that your rusb in and buy—there could always be squalls ahead—good class Australian shares should still be held for the long term. That is why I recommended Western Mining at the beginning of this year.

Moving on to South Africa we have seen a tug-of-war situation develop in gold shares. On the one hand there has been the pull of the African bomb attacks on the country'a oil installations which sent share prices tumbling in a heap on Tuesday. On tha other hand there has been the strength of the bullion price which pulled them to their feet again.

Share prices will remain susceptible to any further political activity while the latter could exert an upwards pressure on the gold price by raising fears for the maintenance of the country's high level of gold production. The net effect will depend, of course, on the relative strength of the opposing forces, but it is a time for some caution in the share market.

It is a situation that does no harm to the Australian gold producers and shares of Gold Mines of Kalgoorlie, North Kalgurli and Poseidon have moved strongly forward this week. However, they are not yet producing the dramatic dividends paid by the South Africans and, for that matters, they are relatively expensive when the high South African dividend yields are taken into accomnt.

For example, the start of tha June half-yearly dividend season this week bas brought sbarply increased finals from Hartebeestfontein and Buffelsfontein in line with the general trend. The former'a final of 725 cents (400p) makes a total for tha year to June 30 next of 1,025 cents against 400 cents for the previous 12 months.

From Buffels there is a final of 430 cents (238p) and this brings the year's total to 590 cents against only 200 cents in 1978-79. And both shares are yielding over 20 per cent. Randfontein, which returns 13 per cent on the 600 cents total paid for 1979, has raised this year's interim to 450 cents (249p) from only 250 cents last time.

The rising tide of gold dividends was already flowing strongly last year and this is reflected in the record results for the year to March 31 of Anglo American Corporation. Although the giant group'a interests cover virtually all aspects of mining together with big industrial and financial interests, gold is now providing about half the investment income. Next comes the diamond industry.

Both enjoyed buoyant conditions last year and Anglo's net profit has risen 52 per cent to R306.6m (£169m), equal to 136 cents per share. A final dividend of 50 cents (27p) raises the group's latest total to 70 cents from 46 cents.

Bearing in mind the time-lag between gold mine earnings and their subsequent translation into dividends received by Anglo, the latter's gold income should be even higher this year while the diamond income should be at least maintained despite the fact that the diamond boom is now over.

Now let us come home, to Cornwall, Devon and Wales. We do so against the background of a comment by one R. Tredinnick, manager of mines, stock and share broker, and financier. Hia words come from a review of Cornish and Devon Mining Enterprise, published in 1857.

"Legitimate Cornish and Devon Mining," be wrote, "is both an honourable and profitable pursuit . . . it is unattended with many risks usually associated with purely speculative investments, while frequently large sums of money are realised upon small outlays; this is more especially evident in comparison with Colonial and Foreign mining adventures, which not unfrequently absorb vast sums of money, without corresponding gains."

Latest news on the home "adventures" is that pilot plant testing has now started a the Amax tungsten-tin deposit et Hemerdon and the offer by Dundonian of shares at 50p in its South West Consolidated Minerals subsidiary, which is exploring tungsten-tin-silver deposits at Callington, bas been some six times over-subscribed. Dealings in S. W. Consolidated are expected to start on Wednesday.

Finally, a Cardiff University team is about to start drilling on bebalf of Anglo Canadian Exploration and Anglo Dominion Gold Exploration at the ancient Ogofau gold mining area in Wales which was first mined by the Romans back in the year 60 AD. Whether the Romans, who knew their busines, took all the gold worth having before they departed these shores remains to be aeen. But it is e fascinating trail that today's Canadian hopefuls are following.

Vickers, a suitable case for treatment

IN THE OLD days, they were called asset strippers. In these more enlightened times, they might be described as demerger activists. However they are styled, it is tempting to think that some might bave felt familiar stirrings at the sight of the report and accounts pnblisbed this week by Vickers.

The two numbers to latch on to are the figures for gross capital employed—£278m—and for pre-interest profits, a miserable £21.5m. What is interesting is the possibility, to put it no more strongly, that these two figures could be changed significantly in the not too distant future.

Within the balance-sheet total, nearly £36m consists of the residual valua of Vickers'

Sir Peter Matthews, Vickers chairman

nationalised aerospace and shipbuilding activities. This asset produced no income for the group last year.

But after years of frustrating delay, Vickers' chairman Sir Peter Matthews now believes that a settlement with the Government could be only a matter of months away. An offer for the aerospace assets is expected within the next few weeks, and aributration over the shipbuilding business could be concluded by the mid-antumn.

There is no hint of what the eventual settlement—might be worth. But if, for argument's sake, it turned out to be book value plus accrued interest, it could boost pre-interest profits by over £6m a year at today's interest rates.

Sir Peter is also confident that the sale of Vickers' business machines division will be completed at around book value in the very near future. Payment will be on a deferred basis: all the same, there will be an immediate benefit from swapping some £35m of loss-making capital employed for cash.

In addition, the group has some £30m of capital tied up in Australia, which made no money last year bnt which is now producing profits. And there is another investment of nearly £30m in surplus properties, which are being developed and should generate steadily improving retnrns over the years. Vickers plans to stay with this property for the tima being.

But if it were to change its mind, then with a bit of luck on the nationalisation terms it could vitrually eliminate all its borrowings.

That would leave the group with a number of interesting—and for our friend tha demerger specialist—readily disposable assets. The figures to bear in mind bere are Vickers' current stock market capitalisation of just over £50m, and its net book valne of £161m.

Pride of the collection is the Howson-Algraphy group, a highly profitable business and a world leader in lithographic plates and supplies. Its pre-interest profit last year was £10.3m.

Then there is the UK engineering group, which made £11.9m in 1979. Vickers' big general engineering businesses have mostly disappeared into the mists of time, and lt is left with a clntch of smallisb, specialist activities. There are some problems, lika hydraulic components and the defence systems division, which makes tanks.

But some of the companies are really rather attractive, like medical engineering or the Kearney and Trecker Marwin machine tool company, and overall the division has e progressive record both in terms of profits and cash flow.

The other important asset is the Roneo Vickers office equipment operation, wbicb will be left with annual sales of about £70m after the sale of the machines side. The performance bere last year was badly affected by the business partitions activity, which managed to make substantial losses on annual sales of abont £3m. But a tourniquet has now been applied to this outflow.

Sir Peter hopes that once the nationalisation issue has finally been settled, it will be possible to hroaden the base of the group with the belp of some strategic acquisitions. There is a business plan waiting to be dropped into place as soon as the timing and scale of the compensation becomes clear.

His problem is the widespread feeling that Vickers has lost its way. Nationalisation, which knocked the heart out of the business, is one explanetion for this view, but there are others. Vickers has made some bad strategic decisions, such as its expensive and unsuccessful effort to build an offshore engineering activity.

The line of management succession is not clear. The chief executive resigned recently within a couple of years of joining the group: Sir Peter is, at least nominally, a non-executive chairman and the acting managing director is not all that far from retirement.

The group could at last be on the point of pulling itself up by its own boot straps. But it is just possible that someone else might be tempted to bave a go, and there does not seem to be mucb of a national interest issue in the control of Vickers these days since defence business accounts for less than a tenth of its sales.

From an investment point of view, Vickers remains a volatile and relatively risky share. Bnt those wbo bave beld on this long should now stay with the play until the denouement.

Richard Lambert

FINANCE AND THE FAMILY

Liability for water rate

BY OUR LEGAL STAFF

Is a private property with its own independent water-supply, i.e. a well on private land, in no way under the control or supervision of the local water-authority, liable for water-rate? The house is connected to the public sewerage system.

The Water Charges Act 1976 amends the Water Act 1973 so as to permit the water authority to charge only for services performed by it for the person charged (except in certain respects broadly concerning conservation). We think therefore that the charge should be limited to the sewerage element of the water rate in the case of the property you describe.

Ceiling on Tax relief

Is it correct that according to the 1974 Finance Act, where two borrowers obtain a loan of £25,000-£50,000 to buy a residence, tax relief is available on the whole loan, provided that the individuals are not married and that neither party's share of the loan exceeds £25,000? My building society has told me that the ceiling of £25,000 applies per property and not per mortgage.

Your interpretation of paragraph 5(3) of schedule 1 to the Finance Act 1974 (as amended in 1977) is correct, on the assumption that you mean that both mortgagors, in the case you have in mind, live in the house and that they are joint owners.

The *rules* are explained in a free booklet, IR11 (tax treatment of interest paid), which is obtainable from most tax inspectors' offices (with updating supplements).

Registration of land

As the owner of a freehold house that was bought in 1959, I discovered that it is not on the land registry in Kent, where compulsory registrations began later. I have received conflicting advice as to whether I should now have the house placed on the Land Registry. What are the advantages or otherwise of so doing?

If your purchase was effected before the *date* when compulsory registration was extended to your area you do not now have to register the property. That will have to be done when the next sale of the land takes place, but not before. You *are* at *liberty* to register the land earlier, but there is no advantage (and some expense) in doing so.

Intestacy and gains tax

The last of six children who was occupying a cottage under the intestacy of their father in 1929 died in March 1978. One son who had left some years before, took out letters of administration to his father's estate on the cottage becoming vacant after his brother's death and sold it at a substantial gain over its April 1965 value. The Revenue suggest that this gain is liable to Capital Gains Tax. Do you not think it should be free of tax under Section 29 of the 1965 Finance Act?

Section 29 of the Finance Act 1965 has been reenacted (for *1979-80*) as *sections 101 to 105* of the Capital Gains Tax Act 1979. Although the legal position is open to doubt, the problems may be *substantially* solved by extrastatutory concession D5:

"Private residence exemption: property *held* by personal representatives: . . . . Relief . . . . is . . . . given where personal representatives dispose of a house which, before and after the deceased's death, has been used as their only (or main) residence by individuals who under the . . . . intestacy are entitled *to the whole* (or substantially the whole) of the proceeds of the house, either absolutely or for life."

This concession is to be found in a *free* booklet, IR1 (Extra-statutory concessions), which is obtainable from most tax inspectors' offices (with updating noncumulative supplements).

Proprietary estoppel

Referring to your reply under "Proprietary estoppel" (March 22), I own a top flat in a modern two-storey block. My neighbour, an old and infirm lady in the ground-floor flat below, in all innocence put up a TV aerial and down lead on the outside wall of my flat. The leases forbid the erection of any external structure, and any action to the annoyance of *other leaseholders*. I have no personal objections to the aerial being there, but I do not wish *my neighbour to establish any* legal right in the matter. What should I do?

Your *neighbour undoubtedly* could acquire a right to retain the aerial there if you do not regularise the position. You should have an express agreement with her that she may retain the aerial by your permission but *will* remove *it* on being given, say, 28 days' notice in writing requiring her to do so. If she signs a written acknowledgement of those *terms no further* right will be acquired.

Refusal to make a will

My husband, whose only asset is a house, now valued at £38,000, refuses to make a will. He has a son of a previous marriage. I am concerned that if he were to die, I might have to move out of the house, or else find £13,000 to hand over to my stepson. Is there anything to be done which is not too costly, in this situation?

If your husband remains set against making a short will, you may be able to persuade him to execute a brief declaration of trust stating that he holds the house on trust for himself and you as joint tenants in equity. This would ensure that the survivor is entitled to the whole house, and it will not attract any tax or stamp duty, either when the declaration is made *or* when one of you dies. Otherwise you must rely on the law of intestacy which will give you *a right to £25,000 plus* a *life* interest in half the remainder of the estate. You might be able to persuade your stepson to commute this life-interest for the balance of the value of the house and thus to resolve the *problem* as to *the* balance of value of £13,000, or part of it.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Property rights and divorce

Three years ago our son's wife left him. At the time she took her personal belongings and that was all. Then a short time ago she said she wanted half the matrimonial home, though she had not paid a penny towards *it*. Will our son have to give way to this demand, if he wants a divorce before 5 years is up?

There is no reason why your son should not now institute divorce proceedings. However, it is desirable to achieve a consent order on the question of property rights, if possible. It would only be necessary to wait 5 years if the wife cannot be traced.

Investing for children

I wish to invest cash presents given to my baby daughter by relatives.

National Savings Investment Accounts look attractive, but I am led to believe that the account must be held in the name of the relative rather than the parent if income tax is to be avoided. Can you please advise?

The important point is that your baby daughter's money derived from relatives be kept quite separate from any money which you or your wife may give her. You can open an NSB investment account for your daughter (by completing form SB2006) without any tax problems, provided that you can satisfy your tax inspector that none of the funds in the account are derived (directly or indirectly) from your wife or yourself. The letters which *accompanied the gifts should* be preserved for production to the Inland Revenue, in due course, as evidence.

Information about pensions

I am a senior executive in one of the 25 most profitable groups in the UK. I have paid 7 *per cent of my salary as* contributions to a pension scheme for very many years and yet my colleagues and I have remarkably little knowledge of the scheme and *what happens to all this* money.

Furthermore, requests for information have not been answered very helpfully. Perhaps we are asking the wrong questions. Can you advise us on what information we ought to ask for, what information we are entitled to receive by statute, employment law and practice and what most employers normally tell their *employees?*

The information that you are reasonably entitled to have from your employer concerns your benefits. Since the establishment of the Occupational Pension Board by the 1973 Social Security Act the latter body has made great play of its desire to ensure that each employee is "clearly told" what *his benefits are.*

We would be very surprised if your Pensions Manager were to refuse your request to look at the formal trust Deed and Rules. In fact, most Pensions Managers are so depressed by the apathy of employees that they are usually keen to encourage anyone who takes a serious interest in pensions.

As regards information about the *finances of a pension* scheme, practice varies. Many funds publish their accounts and are keen that employees should take an interest and appreciate how much their future pensions *will* depend on a healthy UK economy capable of generating worthwhile profits and dividends.

Danger on the old school playing field

TWO YEARS ago, an 18-year-old boy at a leading public school suffered severe spinal injuries while playing rugby. It has left him paralysed and he could spend most of his life in a wheelchair.

Yet because there was no negligence by the school and the incident was a pure accident, there were no grounds for a claim under the school's public liability policy.

Fortunately, such calamities are rare, but accidents do happen with results that can be as tragic as described. The tragedy is compounded if there is no *financial compensation.*

The consequences of these accidents, rare though they are, have highlighted a major gap in the insurance cover provided by independent schools. There has been a demand from schools especially from their medical officers, that this gap be filled.

This week, the Students' Personal Accident Insurance Scheme was unveiled by Holmwoods and Back and Manson (Schools) the insurance broking offshoot of merchant bankers Brown, Shipley group.

This firm has specialised in insurance arrangements for private schools for over 50 years and its new plan should more than meet the financial coverage of the consequences of accidents.

The school itself would take out the scheme and it has two choices. Either it covers all pupils compulsorily by building in the premiums into the fees. Or else it recoups the premium from the pupil's parent or guardian separately, giving the choice of opting out of the scheme. But the arrangement has to be through the school. Parents cannot make their own private arrangements for this particular scheme.

INSURANCE

ERIC SHORT

HBM has designed a scheme that provides very high-benefit levels and with widespread cover compared with that obtained on a private personal accident *policy* for *schoolchildren.*

The various levels of cover have been fixed to meet the financial consequences that could arise from the damage done to the child. *Thus* the maximum cover of £100,000 is paid for total disablement, including the loss of both eyes.

Compensation for the loss of one eye is £75,000, since the child would not be totally incapacitated and able to undertake some form of work. The death payment is only £1,000, *since the consequent expenses* are low and the child has no financial dependants.

The other feature of the contract is that there are no cover restrictions. Cover is given for the full year and applies whether the accident occurred in or out of school, in term time or during the holidays. Exclusions are few and cover is complete even for dangerous pursuits such as mountaineering.

The premium is a straight £1.50 a term for each pupil, with no reductions for large numbers *of pupils*. But *cover is* continuous over the 12-month period provided the pupil remains at school.

Parents always have the option of taking out personal accident cover on their children, but the contracts available are very limited in scope. For instance, a policy with a Lloyd's syndicate only provides cover of £1,000 for the loss of one limb with similar benefit scales for other disablements.

The premium for this policy is £2.50 a year. There is no question that this school personal accident scheme is all-embracing for minimal cost.

The intention is that these schemes will come into opera*tion at the start of* the Michaelmas term this year. Details of the schemes have been sent to schools by the Independent Schools Joint Council. So parents should be bearing about it when they receive the *bill* for next term's fees. Acceptance by parents should be automatic.

What is the position in the State school? Not very clear. Each education authority is left *to decide* what cover, if any, is needed and few, if any, seem to take the trouble to inform parents of any cover maintained.

In the case of the Inner *London* Education Authority, the position is that it does not have insurance to cover accidents occurring within its schools. Any claims arising from such accidents are dealt with on an *ad hoc* basis by the authority's legal Department. But insurance is taken out for school journeys and trips.

This would not appear to be a satisfactory situation. Parents could sue the authorities over an accident to their child. But they would have to prove negligence in order to get compensation.

PAYE system shows signs of strain

THE ROLLS-ROYCE service which UK officials and ministers have always claimed was provided by the tax system seemed to lose a wheel last week. A Parliamentary select committee was told that more *than* a quarter of tax assessments made on employees by the Inland Revenue may be incorrect.

In fact the survey on which the finding was based also indicates that most of the errors are quite small. But the disclosure highlights a battle over staff cuts within the Revenue and is *likely* to *reopen* the debate on whether the UK should switch to a self-assessment system for taxing employees rather than the present Pay-As-You-Earn.

The survey results emerged when Sir Lawrence Airey, the new chairman of the Revenue, gave evidence this week to the Public Accounts Committee.

With the *minimum of prompting*, he volunteered that a survey based on "a few thousand" spot checks in 43 of 580 PAYE offices over the last two financial years had disclosed that 27 per cent of assessments were wrong. Of 7,000 codings checked, 12 per cent were incorrect and of 5,000 returns 24 per cent had been handled wrongly.

Most of the errors seem to have been pretty small, and the bias has been in favour of the taxpayer. Only 8 per cent of assessments and 7 per cent of *returns* were outside the error tolerance limit imposed by the Revenue of £20 in the taxpayers favour and £2 to his disadvantage.

If the results were extrapolated over the country, the effect in 1977-78 would have been undercollection of £25m and over-collection of £18m, against the £16bn total raised in that year through PAYE.

So even though the figures seem alarming—and will no doubt trigger a rush of anxious inquiries from taxpayers—an error rate of ½ per cent is hardly a signal that the system is in terminal decline, especially as the years concerned were affected by the phasing out of child allowances and several recodings as a result of changes in the mortgage rate.

The IR Staff Federation was quick to use the figures as proof that staff cuts had brought about a deterioration in service and it *is likely* that the upper echelons of Somerset House are not too displeased to see such a message being trumpeted.

But the message is likely to be given a hostile reception. Critics of PAYE point out that the Revenue already employs as many staff as the U.S. Internal Revenue Service, *which has a population* four times as large to administer.

The U.S. tax department is relatively smaller than the British one because Americans compute their own taxes or, as Sir *Lawrence* argued, they pay accountants to do it instead of civil servants.

The Revenue defends PAYE on the grounds that it is more efficient and saves the British taxpayer from the worry and expense of self-assessment.

The main disadvantage of PAYE is that the tax system has become so complicated that it is extremely *difficult* for all except those with the most straightforward affairs to understand their tax assessments.

Some savings, a mortgage, some small earnings on the side,—these are enough to make tax computation a matter for the specialist. Small wonder the system is viewed with distrust.

Now it will be argued that even the Revenue staff cannot understand the system, and the distrust is likely to increase.

At a time when the Revenue is worrying increasingly about the black economy and what appears to be a breakdown in taxpaying morality, the attractions of self assessment, which would be backed by random checks and severe penalties, are growing.

Nothing is likely to happen until computers are fully installed in 1987. But if the Revenue is to be given powers to make random spot checks on all citizens to curb the black economy, as Sir Lawrence urged this week, it may as well use them to police self-assessment at the same time, with enormous savings in staff.

David Freud

Perking up for a holiday

Tens of thousands of holidaymakers are in line for cheap *travel this summer*—by virtue of being shareholders in Britain's big shipping companies.

Discounts of up to 50 per cent are available on car and passenger tickets for routes as diverse as Southampton to Cherbourg and Scrabster to Stromness—provided the traveller can prove that he or she owns shares in the operating group. The number of perks offered by companies to their shareholders over the last couple of years has grown enormously. Ranging from free funerals, dry cleaning discounts, and free entry to greyhound meetings.

With the holiday season moving into full swing, however, discounts on cross channel ferries and other ferry routes are arguably among the most attractive. Furthermore, such discounts can significantly boost shareholders' returns beyond what is received in the form of the simple cash dividend.

Possibly *the best known* company operating this type of scheme is European Ferries, which published its annual report last weekend. The minimum shareholding needed to qualify is 300 shares but those not already on the register are too late for this year—the deadline was February 1.

Concessions are available on Euroferries' Dover to Calais/Zeebrugge, Felixstowe to Zeebrugge, Southampton to Cherbourg/Le Havre, Portsmouth to Cherbourg/Le Havre and Cairnryan (West Scotland) to Larne (Northern Ireland) sailings.

Nominee shareholders do not qualify but the concession is good for up to four passengers and one car (as long as the shareholder is travelling) on as many trips as he cares to make. Evidence of the popularity of the scheme was seen when the company announced its results last year. Chairman Mr. Keith Wickenden, reported that some people buy the shares simply for the perk and do not even bother to cash the dividend.

Euroferries claims that far from costing the company money, the perks scheme has *been good for business*. "I agree that we are giving away money to people who would travel anyway. But without this concession some would not go at all and others would go with one of our rivals," said a spokesman.

As for shareholders with the minimum 300 shares, one trip to the continent can save up to £80.80 or nearly an extra 30p net per share. Adding this to Euroferries total dividend of 4.5p per share for 1979/80 makes an effective total of 34.5p. On the basis of the share price of 113½p on January 31, this works out as a gross *yield of* 43 per cent.

P and O is the other shipping company which offers similar discounts to shareholders. Shareholders have to hold a minimum of either 200 nominal deferred shares or 500 nominal preferred shares and to qualify their names have to be on the shareholders' register—it is worth remembering that this can *take* a couple of months from the moment the shares are actually bought. Routes where the concessions apply include Southampton to Le Havre, Dover to Boulogne, Aberdeen to Lerwick, Scrabster to Stromness, Liverpool to Belfast and London to Ostend.

T.D.

After the break-up . . .

TAXATION

DAVID WAINMAN

AS IF THE break-up of a marriage is not of itself sufficiently devastating for the parties, it is *usually* followed by the equally traumatic procedure of fighting out the income which those parties should be left enjoying. That second stage of the exercise is more often than not made more complex and acrimonious than it need be by misunderstandings over those parties' tax on the income concerned.

At the most mundane level, the ex-husband receives the married man's allowance, unabated; for the year in which his marriage ends, and his ex-wife gets a single person's allowance for the balance of that year. In that year, up to the break-up, the usual rule taxes the wife's income as that of her husband, except where her earnings have been elected for *separate taxation.*

But it is the differences in the tax implications of the various kinds of divorce settlements which leave most people most perplexed. As we will see, logic and even-handedness are impossible to discern.

If the parties settle out of court, then their agreement is characterised by the Inspector of Taxes as "voluntary"—a somewhat remarkable phrase to use about people whose natural distress is scarcely alleviated by the coercive threat of court proceedings.

However, voluntary payments made by an ex-husband to his former partner, (or vice versa—the direction matters not) will reduce the payer's income and tax liabilities if made under a legally binding agreement.

What is sometimes referred to as an income settlement generally fails to achieve this. A deed of covenant creates a legal obligation, but as a general rule *does not presently* save the covenantor higher rate tax.

There is, however, an exception where that income is diverted by "one party to a marriage by way of provision for the other after the dissolution or annulment of the marriage, or while they are separated . . . in such circumstances that the separation is likely *to be permanent.*"

The payer deducts tax at the basic rate, and his income for higher rates and investment income surcharge is reduced by the gross equivalent. He retains the tax which he deducts, this being the method by which he gets relief at the basic rate. We will come to the recipient's position in a moment.

Voluntary payments can also be made direct to infant children of the marriage, as well as to a former spouse. But the taxes acts are here at their most illogical—the income from such an "income settlement" remains for all tax purposes that of the payer, because it is caught by the general *prohibition* against settlements by parents on their children.

The antithesis of these voluntary payments is the payment ordered by a court. Although both objective and result might seem to be the same the tax position is different in a number of respects.

First, court orders of not *more than £21 per week,* or £91 per month, are payable gross. (The figures are £12 per week or £52 per month for children.) They nevertheless reduce the payer's income for tax purposes—at the basic or higher rates, and also investment income surcharge where appropriate.

Court order payments in excess of those levels are paid under deduction of tax. In this instance it is possible for the payer to obtain full tax reliefs not only where the court orders that he make payments to his former spouse, but also for payments to children (so long as these are spent by or for the children and not accumulated for them.)

In this connection, the courts have come to recognise that it can be entirely appropriate to order a father to meet certain outgoings not only of his ex-wife, but of his children.

Sir George Baker, President of the Family Division, notified the judges of that division in October 1979 that the way in which the court should make orders for payment of school fees is to require payment of those fees to the headmaster, or other school functionary, as agent for the child; and that the Inland Revenue had agreed that the payer's income is accordingly then reduced by the gross equivalent of the fees so paid.

This brings us to consider the tax position of the recipient of these payments, and of the beneficiary of the fees and outgoings. Receipts under both court orders and voluntary arrangements are taxable in the recipient's hands. (The exceptions to this are only those sums already noted as not reducing the payer's income, *namely voluntary* payments to children and court ordered payments accumulated for them.)

Small maintenance receipts from which tax was not deducted need to be assessed to basic rate tax in the hands of those whose income levels make them liable. All receipts will result in higher rate liability for those above the threshold.

More frequently their tax effect is their making available a repayment of the basic rate tax deducted at source. It is only a minor irritation for ex-wives who have custody of the *children* that tax repayments due to them must still, even in these days of sexual equality, be claimed by the father.

But effective April 5, 1978 another sore spot has been removed; no recipient needs to bring any of these sums into account for investment income surcharge.

UNIT TRUST AND INSURANCE OFFERS

YOUR SAVINGS AND INVESTMENTS

Nicholas Colchester looks at a U.S. approach to retail banking

Laugh and a shiver with Mr. Lipp

HOW WOULD Mr. Robert Lipp go down with management and staff of a British clearing bank? He is the man charged with putting tha fizz into the retail banking operations of Chemical Bank in New York.

He looks something like Steve McQueen and talks about consumer banking in a way which makes you laugh and shiver at the same time. In that forthright way of the American manager a lot of what Mr. Lipp says is both painfully obvious and obviously painful.

Chemical runs a close second to Citibank as the largest retail bank in the New York metropolitan area. It took a decision during the 1970s to commit itself wholeheartedly to retail banking at a time when other money centre banks—Bankers Trust, for instance—decided that the going was getting too tough.

Chemical now has 252 branches where in 1970 it had 146 and it has pushed its market share of current accounts up from about 13.5 per cent in 1975 to 15.5 per cent today.

Mr. Lipp's guiding principle is that what the bank customer wants, above all, is convenience. Apparently twice as many New Yorkers cite convenience as *what they look for in a bank* as anything else. The bank must be in the right place and it must work fast.

What Mr. Lipp found in various branches of Chemical when he took charge in 1977 was that the customer was regarded as a major sources of inconvenience. "We could do a great job if it wasn't for all those customers," he reports them as thinking.

Today "our branch managers do not have business lunches on Friday; they work the line." Working the line involves coming out beyond the pale to where the customers queue. On Fridays, it seems, Chemical branch managers stand beside the deposit slot found in most banks and deal with anybody standing in the queue who wants to deposit money. They give the depositor his receipt, a handclasp and an all-American smile—and they do it fast.

Mr. Lipp also gives each branch manager a free hand in arranging the working hours of his staff. Customers come into banks in surges which are predictable and consistent. So the managers are encouraged to arrange *maximum staffing* at peak times like the lunch hour.

To help with these surges Chemical also puts clerical staff and other branch executives to work at the tills when the queues lengthen. "The people you see sitting around when you are waiting on line." Indeed all the senior management of *Chemical's Metropolitan* division are asked to man the tills at regular intervals to keep their hand in.

The next ingredient of convenience is location. Chemical seeks out the places where throngs of money bearing humanity are to be found and sets up temporary banks there. It has a bank in the centre of New York's Grand Central Station which 500,000 commuters walk past every day. Chemical sets up branches in the headquarters of major U.S. corporations.

These are only manned two hours a week—when the employees file past with their paychecks. Alternatively a Chemical Bank mobile bank—a top security van with windows—cruises seductively into the works carpark on the same happy day.

It is perhaps significant that Chemical's efforts to provida convenience appear more zealous where customers are likely to put money into their accounts than in places where they are likely to take it out. Mr. Lipp does not like the idea of "in store" banking. *He says* this is because branches in shops have to stay open long hours for a thin flow of business.

But it could also be because such branches generally undertake the wrong sort of transaction. Nor is Chemical wholly sold on the idea of cash dispensers. "We find that younger customers are accustomed to them, but that the rest still prefer to deal with people."

But how does Mr. Lipp find such staff—the tellers who man the Grand Central branch only at rush hour, the tellers who scoot down to the Avis headquarters to bank the paycheques, the clerks who help out at the tills when the queues lengthen, and the managers who stand beyond the armoured glass beaming at the people in the queues? And what do the unions say?

"Nothing, because we are not unionised," Mr. Lipp replies.

But the question must give him food for thought as Chemical sounds out the prospects for consumer banking in Britain.


Mr. Robert Lipp

Keeping it in the family

PENSIONS
ERIC SHORT

ONE INESCAPABLE problem facing family businesses is how to pass on the assets from one generation to the next without paying crippling bills to the taxman.

If the business is set up as a limited company, then the small self-administered pension scheme for the controlling directors offers various possibilities for mitigating Capital Transfer Tax.

In particular, tha director's pension scheme can acquire property owned by the company as part of the pension fund's assets. Often, this property represents a substantial part of the company's assets that are taken into account in assessing CTT liability. If held by the fund, then that liability is lowered.

If the family business is run as a partnership, however, there are difficuties in using the pension arrangements to mitigate CTT in this or any other way. A self-employed pension arrangement has to be taken out from a life company in order to secure the income tax advantages, but if the partnership holds property then it will lose control if it sells that property to the life company.

Moreover, a senior partner who owns the firm's premises could not realise that investment to provide for his pension without endangering the security of the partnership.

In order to get round these problems the Midlands-based pensions consultants, Pointon York, has launched a new concept of self-employed pensions.

It comes as near as is posible to self-administration and is aimed at putting self-employed pensions on a par with director pension. It mitigates CTT and allows partners to hand on asets via the pension arrangements.

The Partners Pension Plan, *set up by* Pointon York, is still sponsored by a life company. But that life company appoints Pointon York as investment manager. Each partnership has its own separate scheme within the life company umbrella, managed by Pointon York.

This management will be in accordance with the wishes of the partnership, subject only to the constraint imposed *by law* on life company investment.

Thus the partnership can hold its own choice of equities, fixed-interest and property, guided by the investment advice arm of Pointon York.

Partnerships will be able to put the firm's property into the pension arrangement and Pointon York has arranged mortgage facilities to facilitate this transfer. The pension arrangements can acquire other commercial properties, not held by the firm as investments. Again mortgage facilities are available.

Estate agents, with their intimate knowledge of local conditions, will be abla to pick properties that will provide a return far higher than could be secured by life companies investing throughout the UK.

Transactions of the kind envisaged however need substantial funds available. This scheme would not really have been feasible prior to this year's Budget, because of the limitations on the amount of contributions that the self-employed could set aside for pensions.

Now the absolute limit has been removed, the wealthy partnerships can invest substantial sums, besides using past relief that might be available. The minimum contribution under this scheme is £20,000 a year, this amount being the combined value of all contributions from all the partners.

This scheme naturally has been approved by the Superannuation Funds Office of the Inland Revenue. Pointon York intends to have a panel of life companies willing to operate this scheme. At the moment, Albany Life has given the scheme its support.

The danger of this scheme is that the pension fund will not get the necessary spread of investments and that partners will concentrate the assets into too narrow a range. If too much is held in property then the fund and the consequent pension is vulnerable to a downswing in the property market.

It is the task of Pointon York to ensure an adequate investment spread. But whether this type of scheme is suitable for a particular partnership must be a matter for judgment.

Henderson seeks best of both worlds

INVESTMENT
ERIC SHORT

THIS WEEK'S announcement of the link between Henderson Administration and Provincial Life was not unexpected. It has been known for some time that Henderson, which runs a wide range of unit trust funds. was anxious to extend its activities into the field of unit-linked life assurance.

But what was surprising, and at first sight incongruous, was that its first plans are to be single premium bonds invested in the group's unit trusts.

The reason for tie ups such as that between Henderson and Provincial is to enable unit trust groups to offer regular savings into its trusts by means of a linked life policy, thereby getting the tax credit given to life assurance. Henderson, however, is not launching its regular premium linked schemes until next year, *whereas its bond is coming on* the market in September.

Bonds offer the same investment aims as unit trusts and are therefore in direct competition. So, on the face of it, Henderson is extending its operations into a field where it will be in direct competition with its existing unit trusts.

After this year's Budget, unit trusts would appear to have several advantages over bonds as investment vehicles. So why has Henderson taken this step?

First of all, the bonds will be linked to Provincial's, property, gilt, cash and managed funds and there will be full switching facilities between these funds and the Henderson trusts. Investors in bonds are being offered a wider investment base than just equities.

Secondly and more important, the Budget proposals have not dampened down the sales of bonds to any appreciable extent and do not appear to have significantly encouraged unit trust sales. Insurance brokers are still selling bonds in preference to trusts.

What is disturbing for consumers, however, is that intermediaries do not appear to be discussing with clients the merits and drawbacks of the two investment forms.

Following the Budget, unit trusts are exempt from Capital Gains Tax within the fund and the majority of its income arising from its equity holdings is franked investment income so that there is no further corporation tax liability.

The unit holder admittedly has to pay higher rate tax on the income at each distribution and has a CGT liability on cash-in. But the unit holder can use the £3,000 exemption to offset this liability and regular bed and breakfasting can keep it to a minimum.

With investment in a bond, on the other hand, the underlying fund pays CGT and life company tax and the bondholder pays higher rata tax on the profit on cash-in of the bond. If the bond is linked to unit trusts rather than directly to a fund, the holder on cash-in has a deduction for a potential CGT liability usually at a lower rate than the full CGT 30 per cent.

The calculations are complex, but if a unit trust doubles the value of its fund, the unit price rises from 100 to 200. If a bond is linked to this unit trust and a 15 per cent deduction is made for CGT liability, the price moves from 100 to 185 effectively. If the bond is linked to an internal fund, the price moves from 100 to 170.

For the basic rata taxpayer, direct unit trust investment therefore offers a more tax efficient savings vehicle, providing the CGT liability is controlled by regular bed and breakfasting. The bond offers a wider range of investment and is better linked to unit trusts rather than internal funds.

With higher rate taxpayers, the parameters involved have different degrees of importance. Since the size of the investment is likely to be larger, it is more difficult for unit-trust investors to avoid CGT completely on cash-in. The tax on reinvested income holds back growth. Whereas tax on the internal fund still remains at 37½ per cent less expenses. In these circumstances a bond can still offer better tax efficiency.

It would appear that many insurance brokers are, by chance, putting their clients into the right investment by recommending bonds. Whatever the reason, Henderson wants to get into this market. Meanwhile, investors should get their advisers to explain fully why bonds or unit trusts are being recommended.

Budget cuts and UK investors

THE IMPLICATIONS of the reduction in Britain's contribution to the EEC Budget have had a curious impact on the financial markets this week, culminating in the steep fall in sterling on Tuesday afternoon. The misunderstandings have been almost as severe, and the arguments as intricate, as those at the Luxembourg negotiations must have been.

What everyone was agreed on was that tha £700m cut in Britain's payment to the European Community would reduce the public sector borrowing requirement (PSBR). The Government has put so much stress on the importance of bringing down the PSBR as a preliminary to cutting interest rates that it was only natural that tha first expectation should be for lower interest rates as a result of the lower contribution.

That was certainly tha view of the Prime Minister, as expressed in the Commons on Tuesday afternoon. But the mechanism is not quite as simple as that. In as much as a lower PSBR reduces the need for the Government to borrow from UK residents through the issue of gilt-edged or National Savings, it does indeed tend to reduce interest rates.

But the EEC contribution is an external affair, not a domestic one, and it is financed from the country's foreign currency reserves—which themselves are built up through the issue of sterling to foreigners.

The Government borrows from foreigners, not from UK residents, to pay its EEC contribution: as a result, a cut in the contribution does not affect the domestic money supply as measured by Sterling M3.

In the long run, though, foreign holdings of sterling probably do seep into the domestic money supply since they form part of the lending base of the banks. But this does not mean that the cut in contributions will help get interest rates down in the near future, especially since it will be early next year before the new Budget regime comes into force.

What the lower contribution will do is to improve the current account of the balance of payments, since it will increase the surplus on invisible account. Not so long ago, this would have saved sterling from one of its periodic catastrophes.

Now, though, the wheel has turned full circle. No one seems to care much about the current account deficit any more, but they do care about interest rates — international money shifts rapidly from currency to currency to take advantage of the best returns available.

So the Prime Minister's hints of lower interest rates brought a sharp fall in sterling, despite the benefit to the current account. The lesson is that it takes more than nil to keep sterling at its recent dizzy levels: the pound is principally supported by a cushion of high money rates.

Martin Taylor

Return of the gold bugs

GOLD
TIM DICKSON

GOLD BUGS this week were poking their noses out of the woodwork. The precious metal has been *showing some* of its old form in the last few days and at last night's close—$64 up on the week at $601—it is sitting on its highest perch since the beginning of March.

This sudden recent burst of activity contrasts sharply with gold's dull trading in the $500-$550 range over the past three *months*. Even potentially peace shattering events like the abortive attempt to rescue the American hostages from Tehran and the death of President Tito failed to stampede investors back into the metal they deserted in their droves in February.

Now, however, there appears to be some evidence that this sentiment is changing. Support for the market has been witnessed several times when gold fell below $500—but competition from the bond and ordinary share markets had kept the lid on any pressure for a move significantly above the $530-$540 mark.

Almost certainly the increasing tension in South Africa, which has alarmed the outside world, has had something to do with the latest upward spiral in the price.

But according to some observers there are more fundamental factors at work. The likelihood that the IMF gold sales are over for the moment, for example, means that supplies are tightening and only limited demand can trigger sharp movements in the metal.

On top of this lower U.S. interest rates have made margin borrowing cheaper for traders on the Comex market in Chicago—it was heavy trading in this market which was partly responsible for pushing the gold price into the stratosphere earlier this year.

Gold seems to have a firm base around $500—the question now is whether it can establish a new equilibrium at $600.

If boldness is your motto . . .

UNIT TRUSTS
ROBERT COTTRELL

BOLD INVESTORS with long-term views should put UK funds into equities in spite of the attractions of the gilt-edged market, Mr. David Hopkinson, chairman of the M and G Group, Britain's second largest unit trust group urges.

Mr. Hopkinson, writing in the newly-published Unit Trust Yearbook 1980, concedes that "the income and growth return available on gilt-edged stocks will dramatically outweigh any possible interest on savings media" over the next three years, if interest rates fall away to perhaps 6 or 7 per cent in that time.

But, he says, "the bolder course (which in times of uncertainty has nearly always proved to be the best) is to hold a spread of equity funds, on the assumption of recovery plus further growth." The benefits will be reaped in the long-term he says, "but ultimately they ought to beat the overall return on gilt-edged stocks."

Mr. Hopkinson tips Japan and the Pacific Basin as economies likely to make the best of higher energy prices. The yen, he says, is "likely to rise strongly," while Malaysia and Australia are rich in energy resources and commodities which should ensure "a thriving investment and production trend." *He is similarly bullish* about South Africa, in spite of the political risks.

A diversification into foreign holdings is desirable because sterling's present strength "is not necessarily going to continue" through the decade, Mr. Hopkinson says. While he sees little possibility of an exchange-rate collapse, a downward drift could give a "better background to the performance of foreign markets."

The yearbook also discusses how trusts work, and how to choose the most appropriate trust portfolio. Investors are advised to reconcile incoma needs, tax, degree of acceptable risk, *and the term of investment*.

An income trust is preferred for a cautious long-term investor seeking a high yield, while a general trust will tend to better suit the shorter-term investor.

Investors are advised to take cautious note of past performance figures when choosing a trust, and where these are impressive to ensure also that the trust has not experienced a recent change of management.

The Unit Trust Year Book 1980. Financial Times Business Publishing. Price £9.75.

BRITAIN'S LARGEST UNIT TRUST MANAGEMENT GROUPS

Name:	£m. managed at end 1979 (end 1978 figure in brackets)	% share of industry (1978 in brackets)
Save and Prosper	705 (757)	18.2 (19.9)
M and G	589 (549)	15.2 (14.4)
Barclays Unicorn	374 (384)	9.6 (10.1)
Allied Hambro	319 (301)	8.2 (7.9)
Britannia	188 (193)	4.9 (5.1)
Hill Samuel	170 (178)	4.4 (4.7)
TSB	133 (96)	3.4 (2.3)
Target	107 (107)	2.8 (2.8)
Tyndall	99 (105)	2.5 (2.8)
Henderson	97 (96)	2.5 (2.5)

A buzz from the Beehive

LLOYDS BANK, through its life company subsidiary Beehive Life, is extending its top-up mortgage facilities to provide loans for house extensions or improvements.

Now, if a householder wants to instal central heating or fit double glazing in his house, he has *two* alternative sources of money *from* Lloyds Bank to finance such improvements.

He can use the normal short term facilities direct from the bank. Or he can take a top-up loan and repay over the long term. It *is* a welcome move for housebuyers to be offered a choice.

There are, however, certain conditions to be fulfilled. Beehive insists that the householder taking out a top up changes his method of repaying the main mortgage to the endowment method with a Beehive life *policy, as well as* repaying the top-up with a Beehiva policy. And at present, Beehive only offer a non-profit contract, although it is hoped shortly to market other conventional contracts. Interest on the *top-up loan is between* 2 and 3 points above the Building Society recommended rate.

The scheme has been well received since its launch in October 1979. Beehive has advanced £1.9m and approved a further £600,000, much of its through insurance brokers in addition to advances through Lloyds Bank branches. The scheme is now available for post-1930 purpose built flats and maisonettes with at least two bedrooms.

E.S.

PROPERTY

London's lively variety

BY JUNE FIELD

THE MOTTO *Quam Bonum in Unum Habitare*, echoing the 133rd Psalm, "Behold, how good and bow pleasant it is for brethren to dwell together in unity," is particularly appropriate for the vital bustling Royal Borough of Kensington and Chelsea.

It is a thriving, varied community taking in the Portobello Road, Earl's Court and the King's Road as well as Holland Park, Kensington Palace and the Boltons, roughly spreading from the Grand Union Canal to Chelsea Embankment.

The topography of the borough, with its 21 wards (Campden, Holland, St. Charles, etc.), inevitably reads like a street directory in which most of the residents' names are legendary. Danvers Street recalls Sir Charles Danvers, one of the men who signed Charles I's death warrant, the Great Exhibition of 1851 is commemorated by Exhibition Road, and Oakley Street crosses land that was part of Henry VIII's New Manor.

Regarded as one of London's "housing stress" authorities, chiefly because of a progressive increase in the proportion of elderly persons, nevertheless a recent report showed that the number in acute need has fallen as the council's policies towards poor housing and overcrowding has taken effect.

The domestic rate for residents of the Royal Borough increased this year by 29.6 per cent over 1979-80, and the borough newsletter (free with the official guide and map to callers at The Town Hall, Hornton Street, London W8), goes to great pains to explain that the rateable value of property is one of the highest in the country.

There is no shortage of up-market private dwellings for sale, but the owners are not sitting on quite the crock of gold they have been in previous years, with considerable negotiation needed to pull off a deal.

"Extremely hard bargaining is currently required to achieve a successful sale," insists Mr. Hugh Scott Treseder, manager of Cluttons on the Fulham Road, commenting that an asking price is now automatically often only considered a starting point from which to negotiate downwards. For details of what he calls "middle-price" apartments between £50,000 to £100,000, contact Mr. Scott Treseder, Cluttons, 127, Fulham Road, Chelsea, SW3 (01-584 7704).

Even in the rarified atmosphere of Knightsbridge, where being able to put "near Harrods" on the particulars still appears to carry considerable cachet, it is not unheard of for property with a £1.5m price-tag to be sold at less than a million, another agent claimed.

After 2½ months at their new offices at 152 Sloane Street, Mr. Peter Kearon, partner in Knight Frank and Rutley, finds that "business is good, given the present market conditions," but admits "it is uphill work selling all the stuff on the shelves, which is increasing daily."

He also considers that with so much on offer, "even the most serious buyers can sometimes get confused with the amount of choice," and feels that people ought to be more selective and not expect to view everything.

When a place is being refurbished though, the discerning want to make sure exactly what they are getting for their money, and pre-selling is not as easy as it was a year ago. Washington House, Basil Street, handsome red-brick Victorian mansion practically in the shade of the top people's store, which Wates is reconstructing into £220,000-plus luxury apartments, was launched in April before building works were completed.

In Chelsea, between King's Road and St. Leonard's Terrace, 18 Royal Avenue, this traditional 3-bedroom house has been stylishly converted with a central spiral staircase and internal patio, £320,000. Details: *Bruce MacEacharn, Chestertons, 116 Kensington High Street,* London W8 (01-937 7244).

Only the show apartment was finished, which I saw on that first viewing; it features such useful little extras as gold-plated taps in the bathrooms, a video recorder which provides an in-house film service (free cassettes supplied), and a sophisticated television security system plus radio-controlled locks.

But to give people a chance to see what the whole block looks like after its face-lift, relaunch is planned for the autumn, although Mr. Mark Burton of Clutton's Grosvenor Street office, who with Debenham Tewson and Chinnocks, is responsible for the marketing, says they will certainly look at offers now from genuine buyers.

South Lodge, the new luxury development off Trevor Place in Knightsbridge, where half of the 22 freehold houses on five floors were pre-sold this time last year, opened their no expense spared magnificent marble-halled show-house this week.

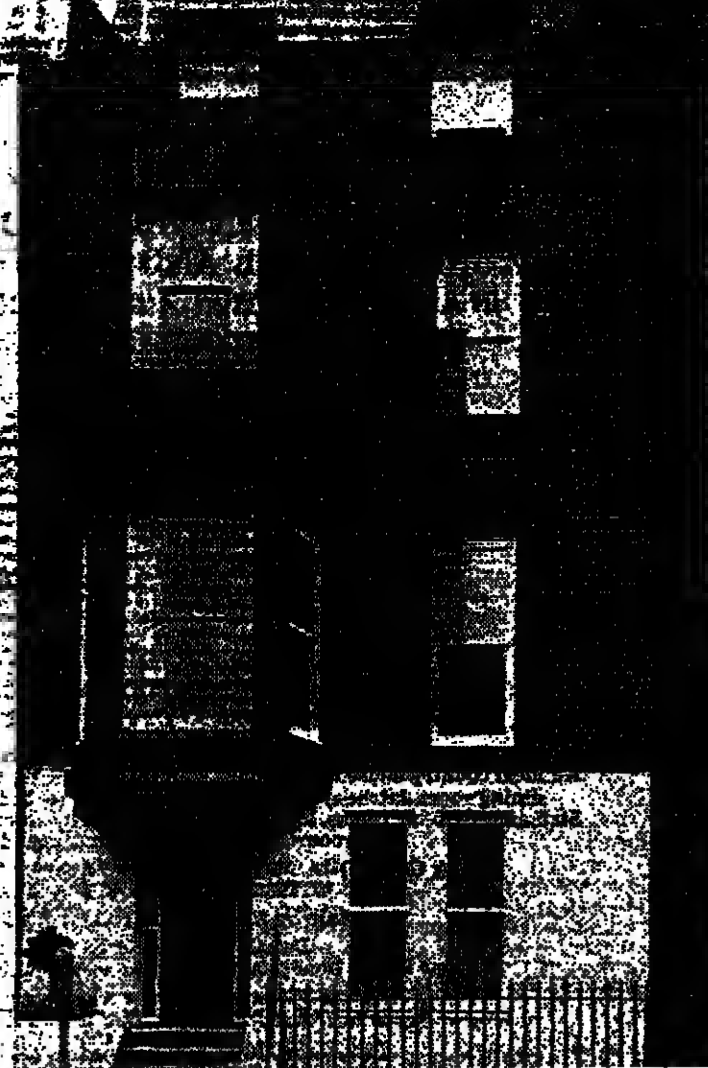
This imposing end-of-terrace Regency house, 24 Smith Street, Chelsea, SW3, has 5 bedrooms, 3 bathrooms, basement storage and a wine cellar. Brochure: Sue Jackson-Stops, Jackson-Stops & Staff, 9 Milner Street, SW3 (01-584 4501). Offers in the region of £260,000.

Superlatives cannot be avoided for the lavish movie-style decor designed by Faith Panton of Property Plan—sensational silver wall-coverings and rich wall-to-wall champagne-coloured carpet in the main living-rooms, deep white fluffy pile in the all-white main bedroom in the penthouse suite, and a special television area off the kitchen.

The price is £650,000 complete, or £¾m for one of the other 4-6 bedroom (all with their own bathrooms) houses. Brochure Mr. Perry Bousfield, Hampton and Sons, 6 Arlington Street, SW1 (01-493 8222).

At the same address, Mr. Adrian Wright, who is in charge of apartments at Hampton's, will supply brochures on Knightsbridge Court, Sloane Street, where there is a 2nd floor 3-bedroom, 2-bathroom flat on offer at £155,000 for a 74-year lease. Similar-priced apartments are for sale in Hans Road in buildings described as "adjacent to Harrods." Short-lease apartments (20-36 years) are in the £40,000 to £60,000 bracket.

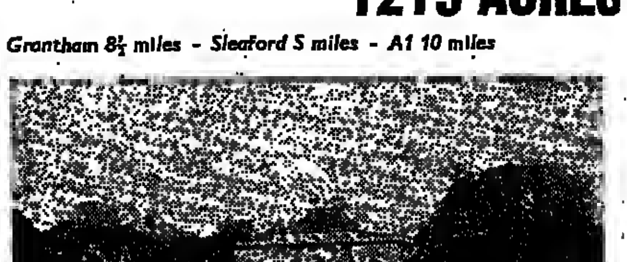
There is a north-light studio with a basement apartment off the pretty flower-filled garden in a period house in Chelsea's popular Cheyne Walk. The 4-bedroom, 3-bathroom house has gas central heating, a lift, intercom-entryphone system, and a large roof terrace with stunning views of the River Thames and beyond. Details: Mr. Robert Meyer, Bernard Thorpe and Partners, 1 Buckingham Palace Road, London, SW1 (01-834 6890). Asking price for the freehold is £200,000.

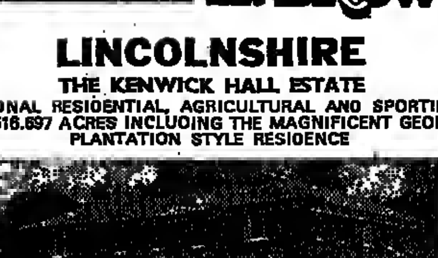


Part of a luxury private housing estate, this is a showhouse at South Lodge, Trevor Place, Knightsbridge, SW7, which opened this week. For a brochure contact Perry Bousfield, Hampton & Sons, 6 Arlington Street, London SW1 (01-493 8222). Inside the 5-storey house is a lift with gold-lacquer-lined interior, a chandelier with 600 bulbs, and a Syrie-Maugham-style all white and cream penthouse bedroom suite. The complete package is for sale at £650,000.

If it is views you are after, just on the market is a penthouse-apartment on the sixth and seventh floor of Fordie House, Sloane Street, that has views across Cadogan Place from the balcony. There are three bedrooms, cloakroom and bathroom, for an asking price of £150,000 including the fitted carpets.

Illustrated fact-sheet which details the service charges (£970 for the year ending March 1981), and rates payable (£642), from Sue Jackson-Stops, Jackson-Stops and Staff, 9 Milner Street, SW3 (01-584 4501), and Boyd and Boyd, 40 Beauchamp Place, SW3 (01-584 8893).





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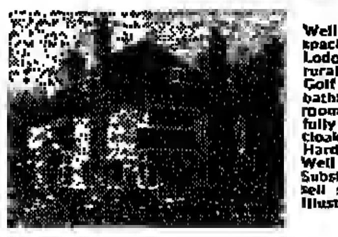

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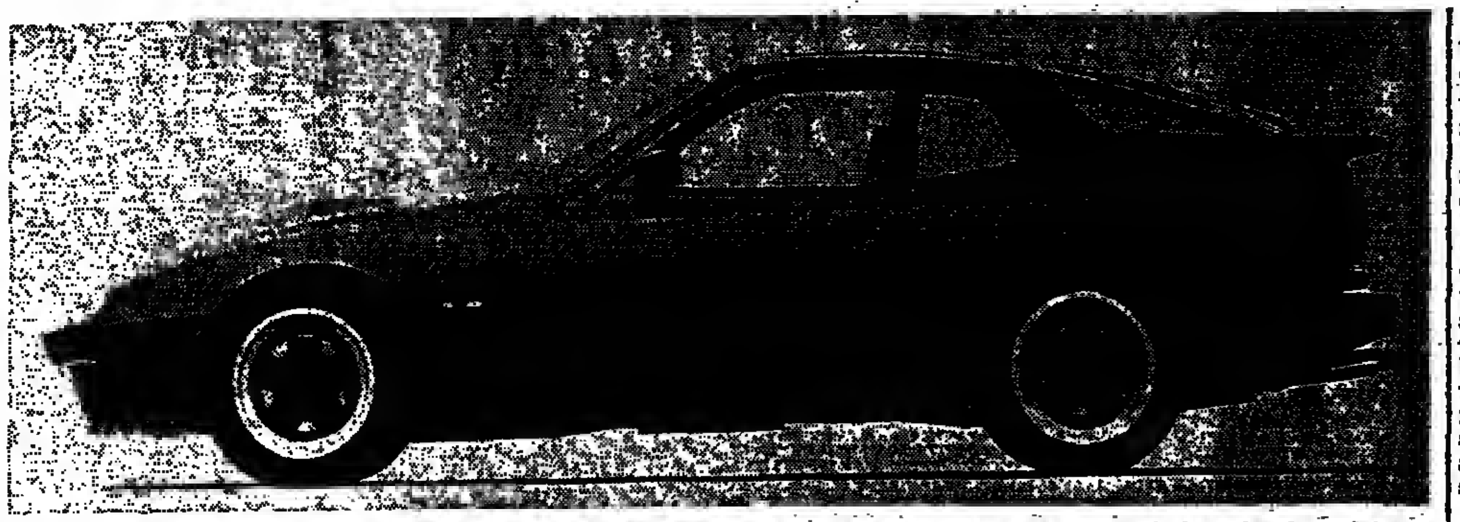
Breaking down the costs

BY STUART MARSHALL



At Porsche, history repeats itself. The first cars of 30 years ago sprang from lowly Beetles but their 911 model descendants have advanced so far that the only remaining link is air cooling. The 924 model, the "Poor man's Porsche" of 1976, still has what is basically an Audi 100 engine, but succeeding versions have moved steadily up market. Latest is the Carrera GT (pictured here), a limited production model intended to succeed the classic 1973 lightweight 911 Carrera as the ultimate road car with competition potential. With 210 horsepower from its turbocharged two-litre, four-cylinder engine, it has a maximum of 150 mph-plus. Porsche hope that three of them, tuned to produce 330 horsepower, will take class honours at the Le Mans 24 hours later this month. The 924 Carrera GT will make its British debut at the International Motor Show, Birmingham, in October. Fitted with every desirable "extra" apart from air conditioning, it will cost around £19,000. Remarkably, it is the most economical of all Porsches—including the standard 125 horsepower 924. At a steady 56 mph, the Carrera GT returns 42.8 mpg and at a steady 75 mph, 34.9 mpg. Would-be buyers should get their name down quickly; only 75 are to be imported.

EVERYONE DREADS a breakdown, especially when far from home on holiday. Most people belong to one of the motoring organisations largely as an insurance against trouble on the road.

The cost seems quite high, especially to those who can remember when two guineas bought AA membership for a year. Now it is £15, plus £3.50 enrolment fee for new members. Relay adds another £11 and associate membership for wives is £3.

So what should an AA member do when he finds that the BL car he has just bought has a Supercover warranty which includes the AA's breakdown and "Relay" benefits? The question was posed by a reader, Dr. Robert Cutler, of Surbiton, Surrey, who recently renewed his AA membership and bought a BL car at more or less the same time.

He assumes (correctly, the AA say) that he can suspend his membership for the Supercover year—but what happens to his wife? She has her own car which Dr. Cutler hardly ever drives, though he would do so in an emergency.

If Mrs. Cutler drives her husband's new BL car, she is protected by Supercover—it applies to anyone driving it. But suppose she wants to enjoy AA breakdown and "Relay" service for her own car? Then she will have to become a full member of the AA in her own right. Her husband must become an associate member, if he wants to be rescued should he break down while driving his wife's car.

It is all rather complicated because the AA element of Supercover is different from normal AA membership. Supercover applies to the car, and to anyone who drives it. AA membership applies to the individual, and covers him in any car he drives.

What then, should the AA member like Dr. Cutler who buys a BL car do? The AA recommend that he should keep his personal membership going because Leyland cannot provide an associate extension to Supercover. And the AA cannot keep associate membership going if the full membership it is linked with is suspended.

So back to Dr. Cutler again. Are there, he asks, any recovery agencies with adequate nationwide facilities tied to a named car? Could he suspend his AA membership while Supercover lasted and cover his wife's car (and all who drove in it) against breakdown and the need for recovery?

There are, in fact, several such agencies. The Car Recovery Service Club is one. Membership of CRSC covers the car, so anyone driving it is entitled to roadside recovery.

More than that, the club will come to a member's home if his car won't start and will recover it from the scene of an accident where it has been left unattended. The AA does neither of these things, perhaps because 40 per cent of CRSC's calls are for starting problems. What the club can do for their 100,000 members, the AA can't contemplate for their 5.3m. Membership of CRSC costs a family £29.50 a year—coincidentally the same as joining the AA as a full member and opting for Relay.

I take no sides in the matter. But motorists in Dr. Cutler's situation might find it worth while suspending their AA membership during Supercover and getting their wives to sign on with CRSC. That way, anyone driving both cars will be covered for every contingency—unless, that is, it's the BL car that won't start in the morning.

PAPERBACKS

Orton's impact

BY ANTHONY CURTIS

Fashions in the theatre pass with such rapidity that the era of Joe Orton, blackest of all the black comedians and most menacing of all the masters of menace, seems as dead as the man himself. Critics were fond of comparing him to Oscar Wilde for the unflagging epigrammatic resource of his dialogue; in fact the comparison went much deeper than their stylistic affinities. Both men died untimely as martyrs to the bitch goddess Success and to the gay life. Both used farce not as reassuring diversion but as a disrupting inversion of the assumptions underpinning the social system by which we live.

We shall probably find that Orton will survive as a dramatist just as Wilde has done on the strength of one play, *Entertaining Mr. Sloane*. His later plays *Loot* and *What the Butler Saw* though they may be richer in outrageously witty exchanges lack the soundness of structure which will eventually win the early macabre comedy its place in the repertory. But again as with Wilde it is Orton himself, his own life-drama, a mixture of black comedy and high tragedy, that is more permanently interesting than anything he put on the stage. He generated hilarious happenings by his mere presence. Acute observations on the world around him came effortlessly to his pen whenever he picked it up. The peculiar mixture of seriousness and abrasive clowning which we find in Orton might have seemed beyond the reach of a biographer. Luckily it has been caught to perfection by John Lahr in *Prick Up Your Ears: The Biography of Joe Orton* which appeared in hardback in 1978 and is now available as a paperback (Penguin £1.50). Mr. Lahr is the son of the great American comedian Bert Lahr about whom he has also written a biography. He is a most perceptive analyst of the elusive comedic art. He has in Orton's case had access to a day-by-day journal kept by the playwright giving his movements for long stretches of his life, including his frequent casual homosexual adventures, and access, too, to his wildly funny letters to his agent, Margaret Ramsay, and his friends. Mr. Lahr is thus able to stand aside from the analysis for pages on end and let Orton do the talking. Orton becomes the soloist in a kind of biographical concerto.

He was brought up as John Orton—he adopted the style Joe later to distinguish himself from John Osborne—on a council estate in Leicester where his father worked as a gardener and his mother as a machinist to support her large quarrelsome family. Orton hated it, was sent to Clark's College where he showed no special ability. He decided he wanted to be an actor, joined all the local dramatic societies, and studied privately with a lady elocution teacher.

To her astonishment he won a scholarship to RADA where he met Kenneth Halliwell, a fellow-student. They shared lodgings and soon became lovers. They also shared the same ambitions and dreams, wrote novels together which they sent to Faber and Faber where the MSS were encouragingly rejected. Orton took home books from the public library and changed the blurbs and the illustrations to more scurrilous ones. Max Beerbohm used to make similar invisible alterations to photographs and books as a form of practical joking. The only difference was that Orton was caught and went to prison for six months.

So long as Orton and Halliwell were failures the relationship remained stable—a support and substitute for the families they had renounced. The trouble started when Orton's dreams began to come true and Halliwell's to remain dreams. The more successful Orton became—plays on Broadway, offers from television and one to write a screenplay for the Beatles—the more failed and rejected Halliwell became in his own eyes. A final bitter irony was the fact that many of the unpublished scripts on which they had worked together were now being cannibalised by Orton in his new prolific persona. In the end Halliwell could not stand any more of it. He drew the public's attention to his existence once and for all by battering Orton to death and afterwards killing himself. Their lives together form a horrifying parable of the winner and loser alternatives inherent in the artistic life, and one to which Mr Lahr does full justice.

TRAVEL

In the land of Johnny Reb

BY ARTHUR SANDLES

IT WAS an uncommunicative taxi-driver who initiated me to the likely wonders of the states of the old American south. I had hailed the cab in Washington and given the driver the address for a business appointment. What he failed to communicate was that the corporate headquarters for which I was heading was more than 20 miles away, across the Potomac and into Virginia. But it was early May and the trees were bursting with an abundance of new Spring leaves and spectacular Spring blossom. It was a glorious drive, the natural wonder of which was something of a recompense for the price. Next year, I decided, I would plunge deeper into the South—but not by taxi. It was an excursion which fulfilled its promise.

It has taken me many years to adapt to the fact that the South, in American eyes, can be quite a long way north. "In the American Civil war (which, south of the Potomac, you are better off calling the War Between the States) Washington was the capital of the North and Richmond, Virginia, capital of the South. Today, even with the U.S. 55-mph speed limit the drive only takes a morning, and that allows for a good coffee break. The proximity of the two cities meant that both North and South were constantly pre-occupied with the fear of a lightning attack on their respective capitals.

The heartlands of the Old South run from the Richmond area down through the Carolinas to Georgia, and west into Tennessee, Alabama and Mississippi. Although there was much more to the Confederacy than that, it was these States which saw the Southern culture in full bloom. Then there was an abundance of gracious living for a better off white aristocracy. It was a life based on cotton, rice and abundant slave labour. The life-style ended long before the war reached its appalling climax, but today, more than 100 years later, the charm remains. The South is a fascinating kaleidoscope of rolling hills, dense woodlands, neat and tidy villages, huge plantations, and grand architecture.

The first surprise for the European visitor is the way in which the Southern accent starts, so soon after crossing the Potomac. Suddenly you are being called "you all" and with equal speed the ubiquitous steak and shrimp menues of the North and West give way somewhat to pork chops and southern fried chicken (done in honey and as far from High Street franchise offerings as English catering heef is from the real thing, you make at home). You find yourself battling with odd drinking laws that change not only from state to state, but also from county to county. You do not need to be an alcoholic to find a drink-list limited to Coke, hot or cold tea, and coffee a little restrictive. But gradually your learn the rules—one of which for me was to keep a few beers and a bottle of wine in the car for chilling in the ice that all hotels offer in abundance.

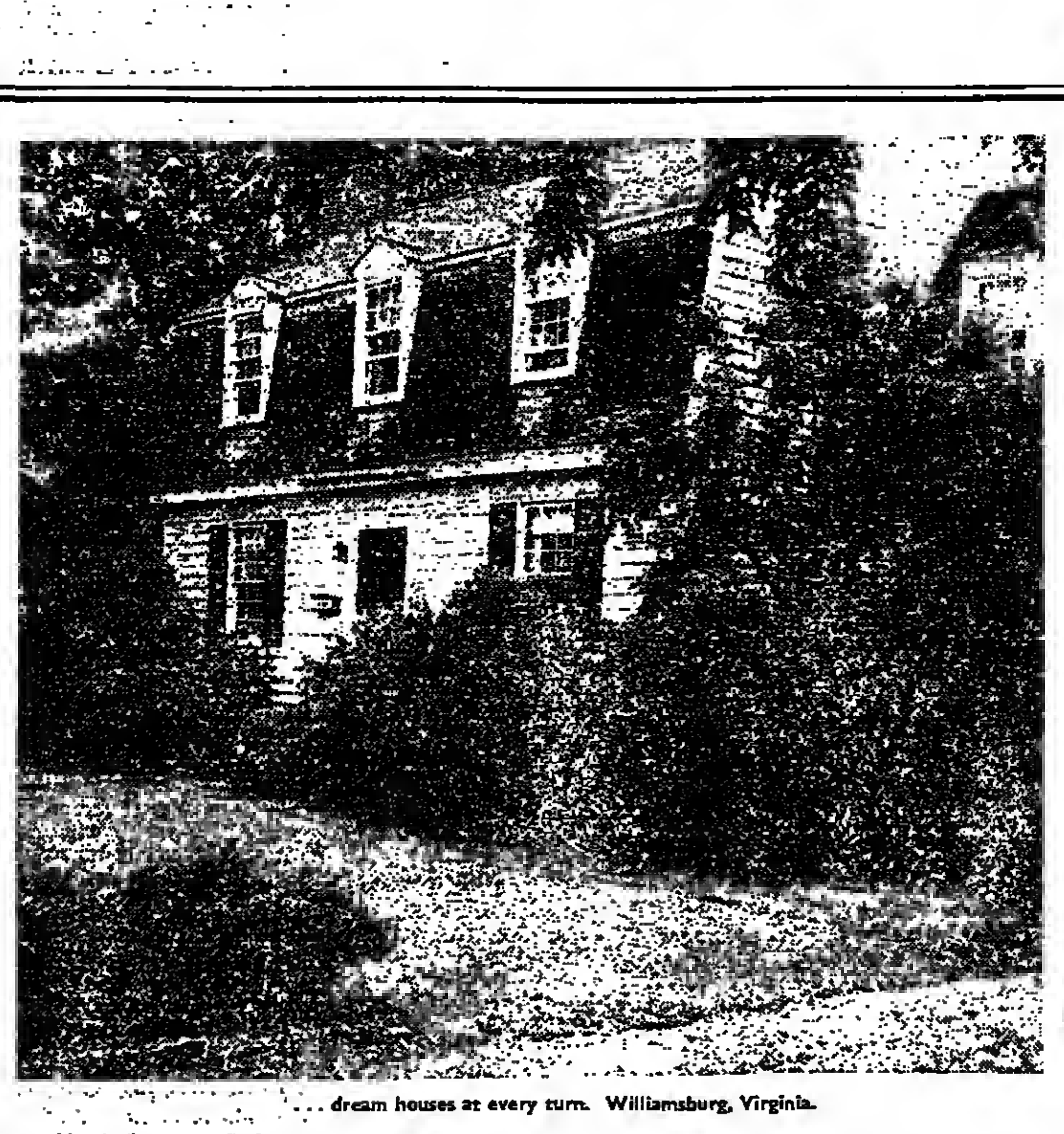
The particular trip I took started in Richmond and then went inland to the Shenandoah Valley. From there the best way South for the visitor is along the Blue Ridge Parkway, a 400 mile-plus mountain ridge road that offers amazing views and a 45 mph speed limit (35 mph and a $2 entrance fee for a preliminary Skyline Drive section in Shenandoah). You can cut off the Parkway from time to time to eat and sleep in the villages en route.

The Parkway ends in the misty peaks of the Smoky Mountains and the visitor has a choice of heading west into Tennessee, or East to the Carolinas and Georgia. Now that British Caledonian Airways has opened its routes to Atlanta there is something of a temptation for the British to take the western route, but instead I headed for the coast to discover Charleston, a jewel of a city which delayed me for so lang that I missed Savannah, which everyone now tells me was a terrible mistake.

The Shenandoah valley is an area rightly recalled in song and poetry. Its plump communities sit on fertile land surrounded by benign wooded mountains. Farm stalls sell apples, cider and honey. Little clapboard houses are kept sparkling and white, the desperate days when southerners were "too poor to paint, and too proud to whitewash" have long gone. There are not just one or two examples of these houses, they are everywhere. There are times when you will drive for miles and, it seems, around every bend there is the traditional idea of what a country cottage should be, complete with family livestock and garden vegetables.

Such is the scenery through-out the mountain areas, although the population starts to thin as you move down towards Tennessee. The eastern area, however, is one of broad farming acres with grander properties and small towns rather than villages. Any European visitor who does not do a few plantation tours while on a visit to the south is missing a great deal. Here were families living in a style well up to that enjoyed by the European gentry of the time. Houses were graciously built, gardens spectacularly designed and art collections carefully gathered. The mood is not only of money, but also of taste. The old canard of America being the first nation to pass from savagery to decadence without an intervening stage of civilisation is shown here to have some weaknesses.

If there are three "musts" to catch this mood they would surely be 1—Colonial Williamsburg, a whole town renovated and reconstructed. It lies between Richmond and Norfolk in Virginia. 2—Monticello, near Charlottesville in Virginia, home of Thomas Jefferson. And 3—Middleton Place, South Carolina, for a view of what Plantation life was all about. When I was there last week there was a problem with aligators eating the swans and geese.



... dream houses at every turn. Williamsburg, Virginia.

For the British tourist at the moment life in the U.S. is remarkably inexpensive. On a couple of nights of luxuriating I spent a little over £20 for a room in the Hyatt at Richmond and a little less than that for a poolside room in the Mills House at Charleston, but usually the room cost was around £10—and that for a huge room with colour TV, bathroom and air-conditioning. The Mills House must be the most surprising Holiday Inn in the world. There is, for example, no trace of that amazingly tasteless sign of theirs. It is all old-style grace and classic furniture. One American to whom I spoke proudly called it a "Coonaught in the sun."

Outside these large, city centre establishments, I tried to find the equivalent of Europe's country inns. It was a difficult task. There are examples of small, quality hostelries, but no one seems to have any common definition and so local advice is often unsound. There is nothing to compare with the British Commended Hotels, or the French Logis or Relais as far as central lists are concerned. The one publication which is a good starting point, Country Inns and Back Roads, which you will find in most American bookstores of any size, is erratic and does not list prices.

Whatever else a country inn is I believe it should be owner-managed, the owner should have time to chat to each guest, "home cooking" should mean the cook being aware of family likes and dislikes and, above all, the whole place should have the feel of love and enthusiasm about it.

If readers know of such places in the U.S. I would love to hear about them, for they are the very devil to find and, apart from one or two properties in New England, they have escaped me in the rest of America.

The Hyatt in Richmond and the Mills House in Charleston are certainly not inns, but are very comfortable hotels. Apart from them, my recommendations would include the Alexander Withrow House in Lexington, Virginia (which offers, I think, only five rooms, which are in fact suites). The suites are above a bookshop and I paid $35 for one about two weeks ago. There is no dining room but the Southern Restaurant about 50 yards away is good and there is a bakery next door to the inn where a good continental breakfast can be had. The Inn itself is a historic monument.

The Hillwinds Inn in Blowing Rock, North Carolina, is certainly not a historic monument, but only in the field of food did it fail my inn guidelines. The Hillwinds (the bill was $25) provided personal greeting and a delightful room. Eat at the New River Inn (it was dry in May) and breakfast at the Chestnut Restaurant.

The Pine Crest Inn at Tryon again only misses full marks because of the food. It was good, but there was no choice, and even the meanest French pension offers an omelette or steak as an alternative to the table d'hote. Amazingly too there were no American wines by the bottle on the wine list. The accommodation at Pine Crest is, however, superb and the setting remarkably restful. This is hunting country, with excellent stables. By European standards the price was low (around £20 per person for dinner, bed and breakfast, including wine, double occupancy).

All these prices were those paid by me in May. They usually rise sharply from June on.

For this trip, and for any other journey around the States, particularly by car, the visitor is as good as lost without the relevant copies of the Mobil Guide. The Guide does a similar thing in the U.S. to Egon Ronay in Britain and does it in various editions, each covering several states. They will cost you around £2 in the U.S. and at least twice that in the UK — Stanfords in London's Covent Garden and Foyles usually stock them. It is probably worth the extra to buy them here if you enjoy the planning stage of a holiday. Beware of buying the 1979 editions. The 1980 ones are now available and things have changed considerably, particularly prices. The Guides also include discount tickets for various attractions, and these are valid only in the year of publication.

You will miss a great deal if you do not bone up a little on the Civil War. The best source I have found is a trilogy by Bruce Catton which any good American bookshop will have. Each book is a good, but lengthy, read. I have only seen the books (the middle one is called Terrible Swift Sword) in the U.S. where I paid $2.95 ach for them in paperback form. Americans are always surprised that we know so little about their civil war, but they are not themselves always experts on Naseby and Edge Hill.

Certainly the best way of getting around is by car and the best system for this is a fly drive package which you could take via Washington or Atlanta. Usually you must return the car to its home base. In my case I had no alternative but to drop my rented car several hundred miles from where I had rented it. By good fortune I found an Avis car in Virginia which had to be moved back to South Carolina. You cannot book such cars in advance, however, and it does mean shopping the car rental lines until you find one.

Further information: British Caledonian Airways, British Airways, Pan American, TWA and Delta. The Superintendent, Blue Ridge Parkway, 700 North Western Bank Building, Asheville, North Carolina 28801, U.S.A.

GARDENING

Chinese Peonies

BY ARTHUR HELLYER

AFTER ENJOYING the delightful Chinese exhibit of dwarfed shrubs and miniature landscapes at the Chelsea flower show someone remarked that it would be a good idea to persuade the Chinese to bring an exhibit of peonies to the 1981 Chelsea Show. And so it would be for, with the honourable exception of Kelways of Langport, who have shown peonies for about as long as I can remember, and not only at Chelsea, we have suffered from a regrettable shortage of exhibitors of this most noble of early summer flowers.

The Chinese were developing peonies as garden plants while we in the west were still sunk in the long squalor that followed the break up of the Roman empire. According to one authority 90 varieties of tree peony were being grown in China at the beginning of the 11th century and, even at that early date, were being increased by grafting. The summer palace of the Emperor Ming Huang is said to have contained 10,000 peonies of various colours which must have been a stunning sight for those priveleged to see it.

Even today it is the tree peonies, varieties of *Paeonia suffruticosa*, that we in the west first think of when Chinese peonies are mentioned, presumably because these are the kinds they most delight to portray in pictures, though the more northerly, and therefore, hardier herbaceous species, *P. lactiflora*, was, and presumably still is, just as great a favourite with the Chinese.

I fancy that the lack of commercial enthusiasm for peonies in Britain is partly due to the difficulty of propagating them with any reasonable speed. The "tree" varieties have always defied simple vegetative methods and have been grafted, often on to herbaceous rootstocks which may save money but is certainly not desirable for any other reason.

I wonder whether modern methods of micro-culture, using tiny meristem cuttings made to proliferate in specially prepared nutrient gels, might hold the answer to this particular problem and make peonies of all kinds more attractive to nurserymen.

Clearly these are matters for the experts but they might feel more inclined to take action if the demand for peonies increased to the extent that there was more obvious profit to be made out of them. At the moment we are in one of those awkward situations in which each side can blame the other. Nurserymen say there is no point in growing more peonies until there is a greater demand for them and gardeners being discouraged from asking by the lack of supply.

For my own part I love peonies of all kinds, herbaceous as well as shrubby, species as well as the more opulent garden hybrids. In some ways the species, with their superbly formed flowers, are the most beautiful of all but they are fragile and short lived which can be disappointing. The big, double flower garden hybrids certainly have more substance and a longer flower life and that, no doubt, is what most gardeners want. But species have one great advantage. They can be raised, usually quite readily, from seed which is cheap and satisfactory, helping to maintain vigour and ensure plants that grow well. It is not easy to buy peony seed but species and single flowered garden varieties usually produce them freely and gardeners are generally generous in giving seeds away to those who are interested.

All peonies have attractive foliage and some of the most beautiful is to be found in the species. I particularly like *Paeonia tenuifolium* with leaves as finely divided as lace and also *P. mlokosewitschii* with much more ample, rounded grey green leaves. This impossibly named Caucasian species is, so far as I know, the only yellow flowered herbaceous peony, all the rest of the yellow coming from its woody members, most notably from *P. lutea* the largest of them all in terms of growth, but not of flower.

Paeonia lutea is a very satisfactory plant to grow, quick from seed, completely hardy in my experience though not always very long lived but since it usually leaves plenty of self sown seedlings behind that does not really matter very much. The species itself has a habit of hiding its not very large flowers among its ample and highly decorative leaves but this is corrected in a variety named Ludlowii which is therefore the one to grow.

Also shrubby, almost as vigorous and just as hardy is *P. delavayi* from western China but this has flowers of almost too deep a crimson to be effective except at close quarters. However it hybridises readily with *P. lutea* if the two are planted together and the offspring sport all manner of intermediate shades from pale orange to bronzy red, some of them very attractive.

Most of the early tree peony development was carried out with *Paeonia suffruticosa* alone and this limited the colour range to white and various shades of pink, red and crimson. Early this century the French nurseryman Lemoine crossed tree peonies of this kind with *P. lutea* and so introduced yellow and orange. Some of the most magnificent varieties have resulted from this mixed parentage including Souvenir de Maxime Cornu with immense, fully double flowers which are yellow edged with carmine.

Tree peonies derived from *P. suffruticosa* suffer two faults, both of which could, presumably, be eliminated by breeding.

One is a tendency to hang their heads due in some measure to the great weight of the multi-petalled flowers. A reduction of petallage might cure this without any less of beauty. The second fault is a susceptibility to damage by spring frost which can cut the young growth. An extra influx of *P. lutea* or *P. delavayi* genes might take care of this. Since most experimental breeding is now being left to amateurs I commend these two suggestions to anyone interested.

There has never been any hardiness problem with the herbaceous peonies nor do even the largest flowered, such as Duchesse de Nemours or Sarah Bernhardt, hang their heads. The lack with these is in colour variation and an extension into the yellow range could be very profitable. With such a fine species as *P. mlokosewitschii* available that should surely be possible.

Triumph in Washington

GOLF

BEN WRIGHT

THE $400,000 Kemper Open Tournament, won by "Little" John Mahaffey, with a record aggregate of 9 under par 275 at Congressional County Club, Washington DC, by three strokes from the burly Craig Stadler, last Sunday was interesting for many reasons. Perhaps the most fascinating aspects were the financial implications. The country's capital was hosting the event on a regular basis for the first time because Jim Kemper, who runs America's third largest insurance company, felt that his tournament was stagnating in Charlotte, North Carolina, where it had been staged for the previous 11 years.

To break even on an operating budget of some $1.2m the tournament needed to be attended by 100,000 spectators. But because rain and thunder-storms delayed play by nearly an hour on Saturday for the third round, the tournament total was 95,000. Obviously exact figures have yet to be finalised, but tournament chairman Ben Brundred was talking on Sunday evening in terms of a loss between $50,000 and $100,000, which will be absorbed by the Chicago-based Kemper Company.

Despite the probable loss the Kemper people were justifiably ecstatic with their experiment in moving to a golf-starved area and a club which had staged only two previous major events, the 1964 U.S. Open, won by Ken Venturi, who has the previous record aggregate of 275, and the 1976 U.S. PGA Championship won by Dave Stockton with a total of 281. Their week-long exposure on both local television and radio and in the city and outside newspapers was tremendous, helped in no small part by the appearance of former President Gerald Ford in Wednesday's pro-am.

The prospects for the tournament at the new venue appear altogether promising. Congressional is such an elegant, opulent club that it helps to generate an atmosphere more closely akin to a major championship than a run-of-the-mill tournament. A course that is the third longest par-70 on the tour helps considerably, as does the fact that par is so seldom beaten.

For Mahaffey, victory there could not have been sweeter. A polio victim at the age of four—his left leg was afflicted—John, from Kerrville, Texas, grew up to be one of professional golfs shortest hitters. But what he lacked in length be more than compensates for by precision and the fierce determination that earned him the nickname of "the baby faced assassin."

Mahaffey has needed all his determination first to learn to walk again, and in the last few years in the face of a daunting series of injuries. It was at Congressional in 1976 that he suffered the first, later diagnosed as a hyper-extension of a tendon in his left elbow. It caused his earnings to drop from $141,471 in 1975 to $9,847 in 1977.

Just when he was ready to play again later in that latter year, he fell off a ladder in his garage and broke a finger. Most was finished. But he fought his way back to win the U.S. PGA Championship at Oakmount in 1978 in a sudden death play-off over Watson and Jerry Pate and the American Optical classic the following week. Later he won the World Cup individual medal when taking this trophy back to America in partnership with Andy North.

When Mahaffey opened the 1979 season with victory in the Bob Hope Desert Classic over 5-rounds it appeared his comeback was complete. But three weeks later he tangled with the face of a bunker during the Bing Crosby tournament and tore tendons in the back of his hand and left wrist. It has been a long and painful road back but victory last Sunday, and a cheque for $72,000 seems to have at last confirmed Mahaffey as a super star — touch wood.

The margin of victory hardly does justice to Mahaffey's courage. With seven holes to play John, who had led by a single shot overnight from Trevino was one shot behind his partner. But a two-stroke swing at the 12th hole, where Mahaffey sank a birdie putt from 16 feet and Trevino three putted seemed to take all the steam out of the latter who dropped further strokes to par at the 13th and 16th. But Stadler, playing two groups ahead of Mahaffey tied him with three holes to play.

"The walrus," as the beavily moustachioed Stadler is rather rudely nicknamed, hit a horrible hook into the trees from the last tee to drop a fatal stroke just as Mahaffey reached the 17th green.

John Mahaffey

Having baled a wonderful birdie putt from 20 feet Mahaffey looked up and saw the leader board register Stadler's plight. John knew he could drop a stroke himself and still win and as so often happens in such circumstances, he rolled in another birdie putt at the 18th, this time from fully 30 feet.

Britannia rules

RACING

DOMINIC WIGAN

WILLIE CARSON landed the Derby for a second year running on Wednesday and this afternoon his most persistent rival in the Jockeys' Championship race, Pat Eddery, can achieve a similar classic feat in the 202nd Oaks.

Eddery, successful on 20-1 chance, Scintillate, in 1979, teams up with Rule Britannia, a filly who, as is the case with Sea Chimes, is improving out of all recognition.

Not considered an Oaks prospect early in the season, Rule Britannia earned herself this classic place when making Broomstick Corner and 12 others look extremely ordinary in the opening division af Wolverhampton's Oldbury Stakes on May 19. Although form experts can pick plenty of holes in the findings of that Wolverhampton race, no one can take anything away from the Sevan Barrows filly when it comes to the manner in which she achieved her bloodless victory. Rule Britannia won as she pleased.

Many experienced judges were surprised to learn after Vielle's half length victory over Rule Britannia's stablemate, Rule Gal, in the Lupe Stakes, towards the end of last month, that Walwyn was not going to field the runner up, a daughter of Lucyrowe, in the Oaks.

Instead the trainer of the 1974 Oaks winner Polygamy, made it clear that he would be relying on Rule Britannia. If, as one must assume, Walwyn rates Rule Britannia some way ahead of the Blakeney filly, Norfolk Gal at this stage then be clearly holds her in extremely high regard.

I hope to see his confidence in Rule Britannia justified this afternoon with a clear cut win by Sea Music's daughter, over Quick as Lightning, who may be beginning to fade as they meet the rising ground.

Lester Piggott, whose prospects of a first English classic success since he forced The Minstrel home here, look remote with Forleoe as his mount, could fare better in one or two of the less valuable supporting events. I particularly like the chance of Swan Princess in the Uplands Park Acorn Stakes. For although this filly is a "short runner" she possesses phenomenal early pace which should see her home on this, arguably the fastest five furlongs in the world.

EPSOM

1.45—Swan Princess***
2.20—Etching
2.55—Rule Britannia**
3.30—Grand Conde
4.05—Pink Blues
4.35—Varuna*

HAYDOCK

2.00—Harebell
2.35—Spence Bay
3.10—Stanislavsky

BOOKS

Carnival knives BY C. P. SNOW

Carnival
by Emmanuel Le Roy Ladurie. Translated by Mary Feeney. Scolar Press, £12.50. 426 pages

Montaillou
by Emmanuel Le Roy Ladurie. Translated by Barbara Bray. Penguin, £2.50. 381 pages

Emmanuel Le Roy Ladurie has established a major reputation as an historian, not only inside his profession but with a wider public. Few reputations have been more deserved. He has a range of gifts not often combined in one person. He has also had good luck, which historians need — and other writers too, as far as that goes —and has made brilliant use of it.

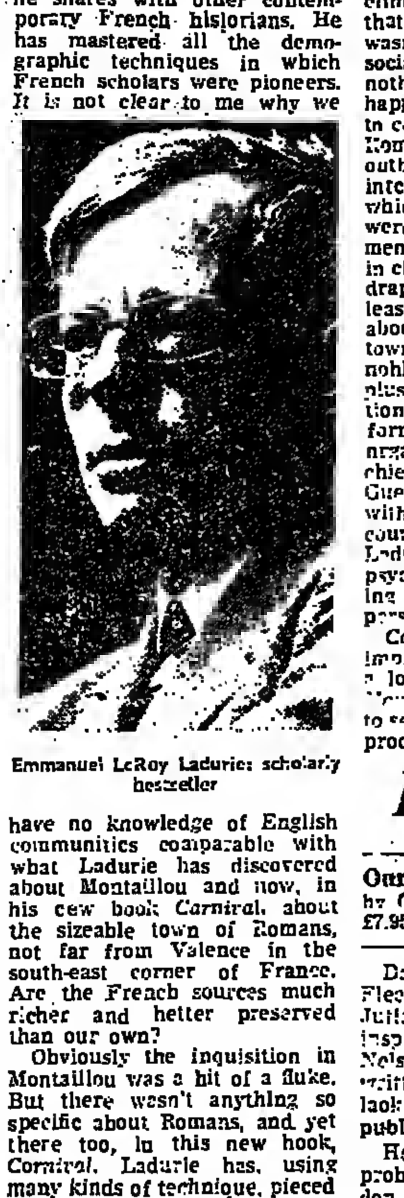
His greatest piece of luck, which led to the world success of Montaillou, now reissued in an attractive and well produced paperback, was to have access to the account of an inquisitorial investigation in 1324. The place, Montaillou, was, and is, an obscure township in South-West France, in the foothills of the Pyrenees. Except in that Occitan region (the inhabitants of 1324 wouldn't have thought of themselves as Frenchmen and some may not do so today), very few people can ever have heard of Montaillou.

Now, thanks to Ladurie, a very large number of people know it much better, and in more personal detail, than any medieval community in their own country. It is not overstating the case much to say that we know it better in certain senses than any small community existing in our own time.

Ladurie was lucky in the sense that the Inquisition was thorough, completely documented and presided over by the Bishop of Pamiers, Jean Fournier, who later became the Pope Benedict XII, a man of not specially amiable character but of considerable ability. He also had an indefatigable detective like curiosity. He was determined to expose and exterminate the Cathar heretics: but he also liked to know what they had been up to in bed. It may not have surprised him that the priest was taken for granted, in that community as in many similar ones, to be the most lecherous figure in the place. Husbands accepted that their wives would be seduced by the priest—that was all right, so long as they didn't take other men.

Ladurie has a similar persistent inquisitiveness and insight. He is never tired of discovering how people actually behaved, as opposed to how they were supposed to behave. He has no preconceptions and no censoriousness. He doesn't expect much of human kind, but he is happy breathing the same air. That is the greatest of his gifts, and gives a constant human invigoration to his history.

His second great gift is one he shares with other contemporary French historians. He has mastered all the demographic techniques in which French scholars were pioneers. It is not clear to me why we



Emmanuel LeRoy Ladurie: scholarly bestseller

have no knowledge of English communities comparable with what Ladurie has discovered about Montaillou and now, in his new book Carnival, about the sizeable town of Romans, not far from Valence in the south-east corner of France. Are the French sources much richer and better preserved than our own?

Obviously the inquisition in Montaillou was a bit of a fluke. But there wasn't anything so specific about Romans, and yet there too, in this new book, *Carnival*, Ladurie has, using many kinds of technique, pieced together a whole community. For factual purposes he had to dig into tax rolls, sometimes dated years after the main events, to get any glimpse into what had happened to his families. The inside gossip isn't as teeming as that of Montaillou, but Ladurie's obsessional curiosity has served him well. Altogether, he has written an astonishingly successful study—more than a study—a work of human art.

The central incidents in his story occurred in 1579-80, two hundred and fifty years later than the Fournier inquisition. Dauphiné towns like Romans were showing vestigial signs of emerging from the Medieval world. The Huguenots had been defeated in France, but not eliminated. It was now settled that the northern Reformation wasn't to happen. There were social stirrings, but again nothing was effectively to happen until two hundred years to come. Still, at the carnival at Romans in 1580 there was an outburst of class war. An interesting kind of class war, in which the leaders of the revolt were mainly superior tradesmen, with a gifted man Paumier in charge, who was a prosperous draper. The cause of war, or at least the overt cause was fury about tax injustices, and the town split into two parties, nobles and upper bourgeoisie, plus fervent Catholic traditionalists, against the rest. The former party was very well organised by the Judge and chief political boss, Antoine Guerin, a ferocious character with precisely the qualities a counter-revolution needs. Ladurie has employed all his psychological talents in projecting and examining this man's personality.

Carnival is much the most impressive historical work for a long time past, that is since [illegible] appeared. It is good to see this new book handsomely produced with useful maps.

"The Destruction of the Temple"—one of 22 striking illustrations by Robert Medley to a new edition of "Samson Agonistes." The artist's images "are to be seen as an accompaniment to the unfolding of the drama" and are printed in various colours. The edition, limited to 150 copies, is available at £75.00 from Bertram Rota Ltd, 30 Long Acre, WC2.

Beatty

Our Admiral
by Charles Beatty. W. H. Allen. £7.95. 211 pages

David Beatty, Admiral of the Fleet, hero of the Battle of Jutland, was probably the most inspiring naval leader since Nelson. But this biography, written by Beatty's nephew looks at the man behind the public figure.

He tells us of the private problems which remained hidden to defend the popular image. His marriage was a disaster and he guarded closely throughout his life a secret which, had it been revealed, would have ruined his career.

But the problems he faced and his odd behaviour to members of his family, which this book reveals, in no way lessen his stature as an admiral.

BRIAN AGER

Mites BY SARAH PRESTON

Justice for Children
by Allison Morris, Henri Giller, Elizabeth Szwed and Hugh Geach. Macmillan Press. £10.00 (£3.95 paperback). 146 pages

Justice for Children is a swingeing polemic against many received views on children's needs and rights in relation to the law. The cover shews two well-dressed mites, well below the age at which children can be brought before a juvenile court, gazing at the awesome front of the Old Bailey. But the book is no more a plea for a welfare approach to children who break the law than it is for short sharp shocks and custodial treatment. The authors—two Cambridge criminologists, a barrister and a social worker—go beyond delinquency and look at other circumstances in which courts and social workers make decisions about children. The nub of their message is that intervention by the state in the lives of children and families should be less frequent and subject to more stringent controls.

The usual moderate response to criticisms of the workings of the 1969 Children and Young Persons Act is to call for more resources to implement it properly. These authors believe that the philosophy on which the Act is based was flawed in that it treats under similar procedures the child who has committed an offence and the child who is in need of care. Both the delinquent and the child whose parents deliberately burn him with a cigarette may end up the subjects of a care order.

The alternatives offered are a Family Court for care procedures and a reformed juvenile court for criminal cases with a fixed tariff for offences. They thus question the whole well-meaning notion that the depraved are often the same people as the deprived.

Throughout the book the authors make pertinent criticisms of the shortcomings of the present services to children and families. They are particularly right to ask that social services departments should make and state an alternative plan for a child they take into care. They call for better support services for families to prevent crises and for legal representation of parents in care proceedings. In the end, however, they overstate their case. To limit the possibilities of intervention to protect children as drastically as they propose would be to expose many children to more risk than is tolerable.

If the welfare of children is to come first it follows that the traditional rights of some parents will have to come second. For sad but real reasons not all parents can bring up their children in a manner society finds acceptable, and not just middle-class society. This is a challenging book which deserves to be discussed widely but the answer to bad social work practice is not to abolish social work.

Poland's English genius

BY GEORGE WATSON

Conrad in the Nineteenth Century
by Ian Watt. Chatto & Windus. £10.50, 375 pages

This scrupulously documented book is the first of two volumes towards a literary biography of Joseph Conrad that Professor Ian Watt, himself a British critic long resident in California, has been meditating since 1955. It deals with the life, fiction and above all the ideas of Poland's English genius, from a bitter childhood when he watched both parents die slowly as victims of Russian tyranny, through a four-year exile in France from 1874, which included a spot of gun-running and an attempted suicide in Marseilles, and his entry into the British merchant marine and arrival in England in 1878. That was a couple of years after another great expatriate novelist, Henry James, settled here, though the two were not to meet for nearly 20 years.

Conrad did not start writing till the strikingly late age of 38. Ian Watt sees his earliest or Victorian novels, from *Almayer's Folly* in 1895 down to *Lord Jim* in 1900, as paradoxically the closest of all to the modern spirit. Modernism is Victorian, then, if only just: an important reminder. As befits such a bold thesis, the book is full, thoughtful and rewarding. It is also frank, and fudges none of Conrad's oddities and weaknesses: his irascible temper as an officer, his wildness with money, some uncertain success with examinations — D. H. Lawrence would have done better—and a startling tendency, even when at sea, to foppish dressing; not to mention a command of English that could be clumsy and ungrammatical to the end. The portrait has warts and all.

It is still a eulogy. "One of the great heroes of the wars of the mind," Watt calls Conrad, whom he sees as a unique genius in the task that all men have: to make sense of their own past. Unique is right. Who else, after all, ever became a great writer in his third or fourth language, rather than, like Nabokov or Beckett, in his second? Conrad goes on looking odd, and the new biography does nothing to familiarise him, and does not even try. He sat awkwardly to English life, by inclination as well as necessity. He never bought a house in England, *for example*, though he married a sensible English girl, proposing to her (of all places) in the National Portrait Gallery. His tortured scepticism strikes one as ultimately continental, too, and Watt sweeps a wide broom across European culture —Wordsworth, Darwin, Flaubert, Durkheim and much besides—to account for it all. His notion of using fiction as an act of retrospective piety for people and places known and remembered: this too is rightly presented as being without parallel among great novelists. So is Conrad's reluctance in narrative innovation, in the sense that he did more new things than he intended. He was a man more original, both philosophically and technically, than he ever wanted to be, which is certainly that kind of originality to be most warmly respected.

This is Ian Watt's first single-handed book since *The Rise of the Novel* in 1957, that highly successful study of English 18th-century fiction. It will establish itself as effortlessly, and as securely. Expatriates seem to write well of each other. But there are differences between the two books. The Conrad strikes one as less dogmatic than the first, as if its author had been sucked sympathetically into Conrad's own searching and tentative mind, where a desire for faith is often a bitter and comfortless substitute for faith itself.

Watt is surely right to see such partial and agonised scepticism about man's power to know as the mark of Modernism, in the early 20th century sense of the word: shoring fragments against ruins of faith, believing only fitfully in the sheer possibility of perception, if at all, and accepting individual mind as nothing better than a distorting mirror of the world. The Modernists clutched at little straws of conviction, while never altogether abandoning the hope of something more.

Some day it might all fit. This was the way Bertrand Russell, T. S. Eliot, and James Joyce were soon to go, and it is a way many since have felt obliged to follow, if they were to make a claim to be literary intellectuals at all. All that makes for engagement, and the book is imbued with an apt sense of agony, richly shared between subject, author, and reader. It is also a work of balanced judgments rigorously built up, brick by brick, by stately accumulations of evidence. *In fact* the *vast chapter* on *Heart of Darkness* is longer than the novel itself.

A surprising work to emerge in the 1980s then: and one that harks back to the critically confident world of the 1950s, heady with explanations and footnotes. May we not have to await its sequel long.

Film monsters BY NIGEL ANDREWS

Caligari's Children: The Film as a Tale of Terror
by S. S. Prawer. Oxford. £8.95, 307 pages

In recent years, horror films have spawned a market in movie-books equalled by no other genre. Everything from psychoanalytic spadework to frame-by-frame visual analysis has been deployed to examine the peculiar fascination of horror movies, and why some of the most casually germinated creations of prose fiction—from Frankenstein and Dracula (both dreamed up, at least in prototype, one idle evening at Lake Geneva among the Byron-Shelley circle) to Jekyll and Hyde—have swollen to mythic proportions ever since their first exposure to celluloid.

S. S. Prawer's *Caligari's Children* is the latest speculative assault on the subject. Professor Prawer's initials do not stand for Steam Ship although they well might. He *has a strong, power-driven*, inexorable style that is impressive when he's on the right course but a bit foolhardy when he isn't.

As befits an Oxford Professor of German Language and Literature, he is hugely persuasive and erudite when invoking the literary originals of horror myths and showing how they are sea-changed in the passage from page to screen. His chapter on *Dr. Jekyll and Mr. Hyde*—from Stevenson's pen to Mamoulian's camera—is excellent: pointing out what very little particularity Stevenson gave to Hyde's monstrosity of appearance (unlike, Prawer observes, Hugo's hunchback, whose heinous features are itemised warts and all) and how the cinema had therefore to shape the character from scratch. Fredric March's Hyde is as much—or more—a creation of the Hollywood imagination as of Stevenson's.

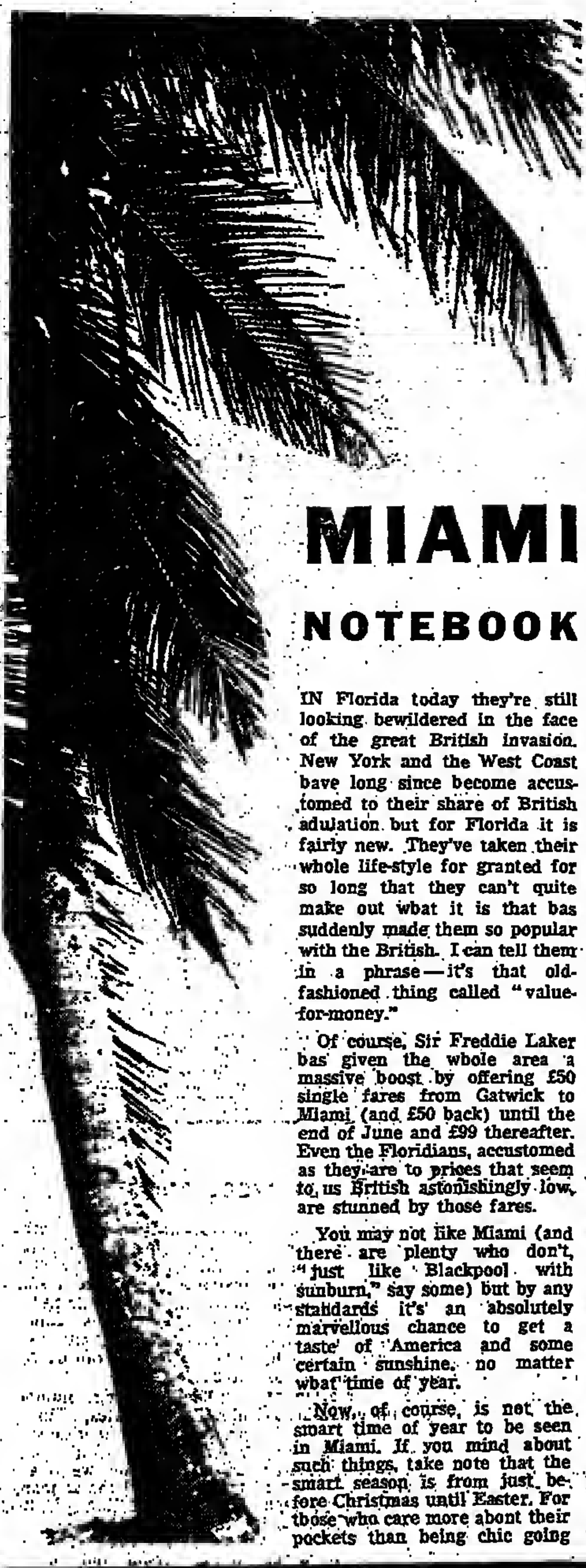
The weaknesses of the book are two. First, Professor Prawer —and/or his printers—have a distressingly cavalier approach to accuracy of detail. There are mis-spellings ("Nicholas" for "Nicolas" Roeg), mis-namings ("Elaine" for "Enid" Wistrich) and plain old mistakes: (Francoise Dorleac is named as the star of *Repulsion* instead of her sister Catherine Deneuve).

Second, the championing of horror movies is an activity that sorts very oddly with the campaign Prawer mounts late in the book for more stringent film censorship. After spending most of his treatise praising horror stories for their power to release subconscious tensions, to identify and catharsise popular prejudices (Jewish features and characteristics, for instance, were once a staple of horror-movie "villains"), he then devotes his concluding chapter to a huffy and ill-argued attack on the spiralling violence of horror films.

"The growing number of films," he writes, "in which animals are deliberately set on fire, maimed and killed . . . are an abomination we ought not to tolerate." I see as many new films in my line of duty as Professor Prawer — probably more — and this trend towards animal arson and injury has entirely eluded me. But even if the author is right in the general assumption that films are growing more violent, he cannot as a critic have his cathartic cake and then censure it. Horror films at their best work like dreams; they wash out tensions and obstructions from the *Unconscious*; and just as there are no taboos in dreams, there can be none in a truly effective and healthy cinema of horror.

HOW TO SPEND IT

by Lucia van der Post



MIAMI NOTEBOOK

IN Florida today they're still looking bewildered in the face of the great British invasion. New York and the West Coast bave long since become accustomed to their share of British adulation but for Florida it is fairly new. They've taken their whole life-style for granted for so long that they can't quite make out wbat it is that bas suddenly made them so popular with the British. I can tell them in a phrase—it's that old-fashioned thing called "value-for-money."

Of course, Sir Freddie Laker bas given the wbole area a massive boost by offering £50 single fares from Gatwick to Miami (and £50 back) until the end of June and £99 thereafter. Even the Floridians, accustomed as they are to prices that seem to us British astonishingly low, are stunned by those fares.

You may not like Miami (and there are plenty who don't, "just like Blackpool with sunburn," say some) but by any standards it's an absolutely marvellous chance to get a taste of America and some certain sunshine, no matter wbat time of year.

Now, of course, is not the smart time of year to be seen in Miami. If you mind about such things, take note that the smart season is from just before Christmas until Easter. For those who care more abont their pockets than being chic going at other times of year gives even more remarkable price bargains than usual. Tha weather, of course, is not perfect just now, in summer temperatures are very bigh, so is the bnmidity end you can get quile startlingly dramatic thunderstorms, but there is almost never a day without sunshine.

Most Britisb wbo go to the States find the air-conditioning bard to cope with—I have never yet been without coming back with a very bad cold—so always remember to take some kind of wrap to carry about for the often quite chilly restaurants, hotel lobbies, coaches and the like.

If you do go in the off-season (like now) you need hardly buy any clothes before you go, particularly if you have your eye on high-price, big-label names. Now that the smart set has moved off elsewhere all the most expensive shops and boutiques bave extensive sales and it is possible to buy exceedingly glamorons clothes at amazingly low prices.

The shopping in Miami is not startlingly different from that to be found in the rest of the States except that being virtually a year-round boliday resort the selection of boliday and beacb clothes is larger and better than almost anywhere else I bave come across.

One of the most exclusive (though not wildly expensive) and indeed enchanting shopping precincts I have ever shopped in is the Bal Harbour complex—from exclusive designer boutiqnes to branches of famous cbains like Saks Fifth Avenue and Nieman Marcus, it will give you a real feeling of American taste and shopping.

Downtown, the Omnl International shopping precinct is where mncb of the shopping of the group I was with was done—Jordan Marsh bad a particularly fine linen selection and seemed to hit a happy compromise between taste and price.

For real bargain basement buys, Burdine's (amazingly snappy children's T-shirts at $2.90) was the place, while the only area that seemed to bave London (or European-type taste) were some of the shops in Coconut Grove.

Most of the British I met could quite simply not believe the prices. As a rough guide most of us felt you paid in dollars what you would bave to pay in pounds in this country—in other words many things were under balf the price they would be over bere.

Women were bnying linen by the armful—beautiful Percale sbeets, needing no ironing, in a wide range of designs and patterns could be bought in most departments at about £4 each a double size. Remember to check measurements as American descriptions are different from ours and, alas, they don't do duvet covers.

I met somebody on the plane wbo told me that Citizen Band radios (still illegal bere but new legislation seems on its way, so you buy them at your own risk) were his major "fun" buy—be'd bonght two at eight dollars each. Proper Levi's for children are between 15 and 16 dollars.

Many of the larger beauty companies are American so big names, like Estée Laoder, Cliniqne and the rest, are virtually balf-price in the States. Madeleine Mooo, a Britisb ex-patriot now producing her own make-up range in New York, can also be bougbt there at about half-price.

You can buy jumbo sizes (at appropriate prices) of sbampoos and conditioners and for the diet-conscious there is a wbole range of American-made diet fooda that I longed to try (Gloria Vanderbilt, I learn from this month's Vogue, never travels aoywbere without her own special low-calorie dressing).

Luggage is another major item to prepare to speod on if you bappen to need it—the cboice of designs and the prices are so good as to make it worth saving up for. Gold jewellery, too is good—gold chains, bracelets and rings, in a very good range of designs can be bougbt in depertment stores and jewellers at wbat seemed to me like half the price bere (they often sell 14 carat gold, wbich is much less common over here so it is difficult to make a straigbt comparison).

A good preseot for teenage children are the records—they're not only much, mucb cbeaper but if you ask around you'll be able to find something that isn't yet out over bera and which, therefore, has rarity value as well.

Finally, if you're shopping for the man in your life look ont for gadgets (somebody I met bad bougbt a Peotax camera for 118 dollars that he'd seen priced in England at £115) and shoes (wooderful soft loafers) and, in particular, for resort and summer clothes. But all the smartest American men told me that for antumnal and winter city wear they thought there was nobody to beat the British!

Sizzling in the sun

THE GREAT THING about holiday dressing is that it is perfectly possible to go into many shops that I can think of and come ont with a wbole handful of attractive, up-to-the-minute garments which should do marvels for your self-confidence and yet won't leave you with that sinking feeling of having spent more money than you can afford.

First, holiday clothes don't get an awful lot of wear so you don't need to search for things thet will lsst for ever—much more fun to buy something bang np to date that has a lot of dazzle for the money but maybe isn't too impeccably made.

Most of the department stores are full of striped cotton T-sbirt dresses (somebody in this office bought a dazzliog one at Miss Selfridge for less than £7) at very low prices—they won't stand 100 washes but then in a couple of years' time yon'll probably be sick to death of them anyway.

This year has seen the great revival of shorts and lest any reader feel that they are only for the very young I would like to suggest that age is nothing like so important as size and shape. The new-look shorts are much more like baggy Bermndas than the old tight-fitting versions and are infinitely easier to wear as they hide thighs that are not as sleek as they should be. This week in London they were to be seen, worn with simple T-shirts or Fred Perry-type shirts, at a smart London fur show and in the smartest shopping streets, so they are no longer jnst resort wear.

If you are bolidayiog in a dampisb climate then the flying-suit or jumpsuit is still a marvellous buy. They are a little bot for those heading for the Med but for Britain they seem to me ideal for the inevitable cooler days—wear them with T-sbirts underneath if you are chilly and sling a sweater round yonr shoulders in case it gets cooler still.

Colours this year, as anybody who bas been out and about at all will bave noticed, are extremely brigbt—bold purples, pinks and yellows, bright greens, often mixed together in unexpected combinations make the summer streets a very chaerful sight.

…wings by Celia Baker

Though shorts are wonderfully comfortable holiday wear most of us haven't tbought they were very suitable for town wear—this year, however, they are to be seen in the smartest places. However, don't wear last year's tight shorts (they really aren't suitable for anything except beach or sports), this year's shorts are roomy and comfortable and are like rathar baggy Bermudas. If properly cut they are really much more flattering than you might imagine.

They can look surprisingly suitable for city wear if they are long enough—just abont on the knee—when they have much more of an air of being a slightly shorter version of culottes or a divided skirt. Wear them with a smart T-shirt and a blazer or jacket and they look mnch like a very smart suit.

You can buy them very expensively in smart boutiques bnt there are two versions that seem to me to be well-cut and easy to wear and yet not to carry too high a price tag for something that, after all, is more fun than serious. Left, is a pair of pale blue cotton drill shorts (worn with a pale pink belt) and it is worn with a brightly striped viscose shirt by Miss Sam. Sborts are £10.99, shirt £9.99, from all branches of Irvine Sellars.

Right, is a pair of pink shorts, in 100 per cent cotton with a matching one-sboulder top by Plume. The shorts are £13, the top £9.20 and they can be found at Way Inn at Harrods, Liza Stirling in Manchester and Chester and Rosy of Leicester. The set is also available in grey, sea green or peach.

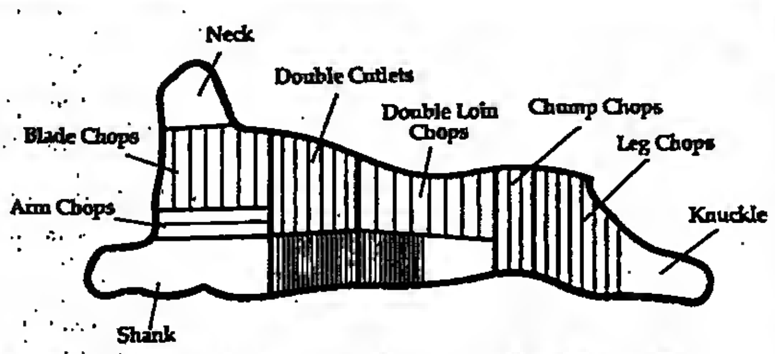
The great thing about a summer dress is that it needs almost no accessorising (unlike trousers and shorts which need just the right T-shirt or jacket). If you add a pair of high-heeled sandals (or flet espadrilles if yon're going to do mnch walking), a sun-hat and some sunglasses, you need nothing else to look good. Selfridges in Oxford Street, London W1 has a large collection of exceedingly attractive summer cotton dresses. Prices start at abont £15 and though the two I selected to have sketched, above, were not as cheap as some, being made of pure cotton, they are the sort of classic hot-weather dresses that will last for years.

Both the dresses are made in Finland by Fenno Sport and both have matching duffle-type bags. On the left is a red dress splashed with white flowers with tiny shoe-string straps (those who think they can't wear dresses like this because of the bra-strap problem sbould read about the new strapless bra below). Sizes 10 to 16, £31 (p+p £1.50).

On the rigbt is a white sun-dress boldly-striped in bright colours. Sizes 8 to 14, made of 100 per cent cotton it is £29.95 (p+p £1.50).

Chopping and changing

BY JULIE HAMILTON



DO YOU know that a whole lamb can be cut into chops? Or that the chops can be any thickness you choose? Imagine the scope that gives you. If you buy a wbole or half lamb for the freezer the advantage will be immediately obvious. You will bave at least 75 assorted chops plus 14 or so riblets, cut off the breast.

The New Zealand Lamb Information Burean are promoting this method of cutting their country's lamb, largely for the catering trade. But I think it is very good news for all of us.

To cut the whola lamb into chops your butcher needs a bandsaw. Tha cutting is done while the meat is still frozen. If New Zealand lamb is bought between Jannary and August and it is thawed in the correct way, there is no reason why every chop should not be tender enough to grill or fry. The right way to thaw the meat is very, very slowly with plenty of air circulating around it. The minimum time is two to three days; the maximum is up to 10 days if it is in a very airy and cool place or in an almost empty fridge. The longer yon take to thaw New Zealand lamb the more tender it will be.

If you know you have eight or 10 people coming to dinner and you want to roast the leg of lamb, it is perfectly possible to parcel the leg together with string and roast it as usual as a wbole piece. To serve, you simply untie the string and it falls into the required number of chops.

I bave parcelled together a shoulder, inserting mint and thyme between each slice, brushing the wbole with mint, lemon and boney and roasting it for a shorter time than usual. It was quite delicious but you bave to get used to the unfamillar bone formetion. Butterfly chops are another very attractive cut. A pair of chops from the loin or best end, they are joined at the top and give yon an opportunity for imaginative presentation.

If you have a butcher who has a handsaw (and more and more are getting them), it is well worth while watching him cut up a lamb for you and telliog him exactly bow many cuts yon want at wbat thickness. New Zealand lambs ore being prodnced with the minimum amount of fat. My shoulder, usually a very fatty joint, had almost no fat per chop. The economy of this method is obvious, giving yon minimal wastage and maximum flexibility.

For further information write to: New Zealand Lamb Information Bureau, Tbe Cloisters, 11 Salem Road, London W2.

Strapping style

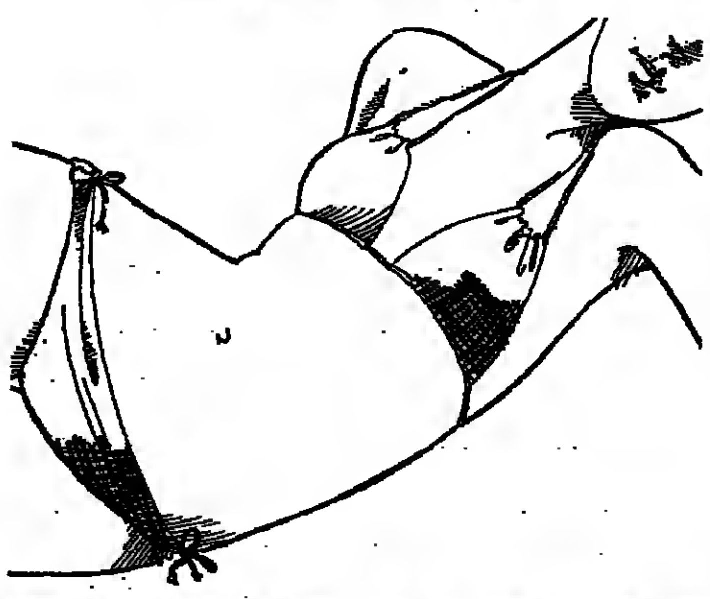
One of the indispensables this summer is a pair of strappy high-heeled sandals, preferably in one of this season's vibrant colours like cyclamen, violet or metallic blue. However, a wardrobe of summer sandals, at today's prices, can turn out to be an expensive indulgence. Some of the best value I have come ecross is to be found at Nicole, 67, Notting Hill Gate, London W1. The shop has a series of designs in canvas, which means they won't last forever, of course, but then neither do much more expensive materials. This particular style is very good for wearing with trousers or sun-dresses and at £10.95 seems to me a good buy. It comes in black, violet, beige or navy.

Strapless and secure

Jan Wheeler

I remember strapless bras from years ago when they seemed instruments of torture — full of bones and wires that dug into one and made even the slimmest feel unnaturally upholstered. Those who want to wear strapless dresses or sun-dresses and T-shirts with little shoe-string straps will find that life has been quite transformed by an amazing new strapless bra. I have been trying it out on my travels to sub-tropical Florida and found it so comfortable I was hardly aware I had it on. An enterprising British woman discovered it in Israel and started importing it. So successful has it been that it is now available in a whole range of shops like Fenwick of Bond Street and Brent Cross and the Miss Selfridge chain. It has no straps, no bones, no wires and no seams and goes under the name "Hi Summer!" I found I could wear it under T-shirts, under camisole tops, under sun-dresses. In sizes 32 ins, 34 ins, 36 ins and 38 ins, it comes in white or flesh colour and costs about £3.75. (If you are in doubt about the size, Mrs. Myers who is importing them, says she finds that most people prefer to have one slightly smaller than their usual size.)

Tops and tails



Judging by my mail-bag the other summer holiday problem (apart from the strapless bra, that is) is those whose tops and bottoms are of quite different proportions. You may say, that is how God intended them, but bikini manufacturers seem quite often to cater more for what God should have done than for what He actually did—i.e. very often, it is impossible to find a bikini that fits in both places. A small home-based company called One of Gillie's has decided to solve the problem by selling tops and bottoms separately. One of Gillie's produces a small brochure, illustrated with black and white drawings and with fabric samples attached, showing a small capsule holiday wardrobe. Besides the bikinis being sold to fit any size, there are sarong skirts, draw-string waist shorts, crew-necked T-shirts and drawstring waist full-length trousers. Bikinis cost £12.50, beach sarongs, £16. Fabrics are limited but charming. For a free brochure write to: One of Gillie's, Llantrithyd, Cowbridge, South Glamorgan, Wales.

ARTS

Tuneful Tom

BY ANTHONY CURTIS

When someone of the celebrity of Tom Lehrer is in town it would be helpful if the BBC would give radio listeners a complete list of all the programmes in which he is appearing. I heard him on *Kaleidoscope* (which was billed in Radio Times) but missed him on *Start the Week* and in other minor slots. Luckily the *Kaleidoscope* interview (Radio 4 UK, June 3), conducted by Michael Billington, was most complete and went a long way towards answering questions that puzzle me every time I hear one of my sons playing that venerable, much scratched LP to which we are too sentimentally attached ever to junk. *An Evening (wasted) With Tom Lehrer.* Be interesting to see whether it survives into a third generation. Question one is—why did he give up suddenly in the late 1960s when he was all the rage; and question two—what has he been doing since?

Billington, describing Lehrer as "a genial spindly man who looks as if he wouldn't hurt a fly," elicited a complex answer to question one. This Harvard mathematician always regarded his night-club days as numbered, and never intended his song-writing should become more than a side-line ("I always planned to milk it dry and then quit . . ."). Moreover, he finds the mood of the times no longer appropriate to numbers like "We Will All Go Together When We Go." Reality has caught up and gone way ahead of anything his, or any satire-monger's macabre fantasy could invent. Finally Lehrer has matured. He now has "perspective" and sees more than one side to a question, a fatal limitation in a wit. The only songs he has written later than the 36 he composed in his heyday, now revived by other hands and voices in *Tomfoolery* at the Criterion Theatre, are some for an American television show designed to teach children to read.

As for his current work, he has become one of the ivy-covered professors out of whom he used to take the mickey in the song "Bright College Days." Lehrer is on the faculty of UCLA at Santa Cruz where he teaches two courses. One is on the Application of Mathematics to the Social Sciences and the other is on the American Musical. (Compare and contrast the ethnic structure of *The King and I* with that of *West Side Story*?)

If only the BBC could get a microphone into that course some time. The students declaim the book of the musical under discussion while Professor Lehrer accompanies them on the piano. The period covered is 1942-65 when, according to the Professor, the great days of the modern American musical came to an end. In the Nixon era, said Lehrer, there occurred a loss of optimism and self-confidence which spelt death to the form. He regards Stephen Sondheim as the greatest of all the lyric-writers. In spite of his long silence, Lehrer remains entertaining, intelligent, lively.

Giles Cooper's style of satire and comedy was as eccentrically English as Lehrer's is iconoclastically American. The awards for radio playwrights, jointly sponsored by the BBC and publishers Eyre Methuen in honour of Cooper, now in their second year, were made earlier this week at a ceremony in Broadcasting House. The categories correspond to the regular drama slots on Radios 3 and 4. There was one for The Monday Play given to Shirley Gee for *Typhoid Mary* which has already almost achieved the status of a radio classic; one for Thirty Minute Theatre which went to John Kirkmorris for *Coccomb* and one for Saturday Night Theatre won by John Peacock's *Attard in Retirement*.

The now discontinued series of 15 minute plays, Just Before Midnight, was won by a playwright as well known in the theatre as he is on radio, Barrie Keeffe for *Heaven Scent*; likewise Olwen Wymark whose *The Child* came top in the Afternoon Theatre category.

Carey Harrison's comedy *I Never Killed My German* was the winning Radio 3 play. All the texts of this astonishingly wide spectrum of dramatic effort, typical of any week in the year on BBC radio, may be read in a single volume that has just appeared, *Best Radio Plays of 1979* (Eyre Methuen/BBC £6.95). The print may be a bit small but it does include six new plays.

One says somewhat smugly that this wonderful breadth of effort, so fruitful in the discovery of fresh talent in the field of play-writing, is typical. Long may it remain so. A bleaker note was struck at the ceremony when we learnt that the studio in which the party was being held was the one used regularly for the now axed *Woggoners Walk*.

The mid-day Sun by John Griffiths

Bombay English

BY BRIONY LLEWELLYN

John Griffiths' paintings represent a fascinating point of contact between colonial Bombay and Victorian England. As with so many artists before him who worked in India, his style and technique were rooted firmly in western tradition, but his subject matter was drawn entirely from his foreign surroundings. His teaching of Indian students at the Bombay School of Art over a period of 30 years created a distinctive manner of painting, which was carried on well into this century. The collection of oils and watercolours on view (until June 13) at the gallery in Duke Street of Eyre and Hobhouse, in association with Martin Gregory, therefore, presents the rediscovery of a largely forgotten artist, important for both Victorian and Indian culture.

In his own time his achievements were well recognised. He received approbation and commissions from many of the most eminent civil servants in India, including the Viceroys, and was recommended to the Prince of Wales who toured India in 1875-76. *The Times* obituary published on December 3, 1918, was enthusiastic: "one of the foremost figures of the important work initiated in India in the middle of the last century of providing, at great centres, schools to maintain, restore and improve the application of Oriental art to industry and manufacturing."

Born in Wales in 1837, he received his artistic training in London and was associated with Godfrey Sykes on the exterior decoration of the South Kensington Museum (now the Victoria and Albert). In 1865, with his close friend Lockwood Kipling (to whose son Rudyard he became godfather), he sailed for Bombay to take charge of a part of the newly established Sir Jemsetji Jijibhai School of Art. Together until 1875, when Lockwood left for Lahore, they directed the decoration of many of Bombay's public buildings, including the Victoria Terminus and the High Court. Between 1872 and 1885 Griffiths and his assistants explored and made copies of the paintings in the rock-cut Buddhist temples at Ajanta; many of the copies were published in 1896-97 in two large folio volumes. His own art was greatly affected by the paintings, with their large, flat areas of subdued colour, and he compared them to the frescoes of the early Italian Renaissance.

Meanwhile Griffiths was sending his paintings back to England for exhibition at the Royal Academy. Several of these appear in the present show (bought from the estate of Griffiths' younger daughter). They bring to mind a number of his Victorian contemporaries, often those who painted exotic scenes. The harsh light and caricatured men and camels of *The Mid-day Sun* (1868) hint at Richard Dadd's pictures of the Middle East; the meticulous observation, saturated colour and intensity of *Drawers of Water* (1875) recall Ruskin and the Pre-Raphaelites. The later *Temple Steps* (1893) with its architectural setting has affinities with Alma-Tadema. All his figures have a classical dignity; in the early works weighty, in the later graceful, which he inherited from Sykes and G. F. Watts.

In character he seems to have been earnest and thoroughly worthy, but this was alleviated by the "artistic sensibilities" and moodiness of which a friend wrote. These are revealed in his sensitive watercolours of the countryside around Bombay and Ajanta for which he had a particular affection.

Griffiths' skilful adaptation of Victorian influences to the Indian scene commands respect; his atmospheric watercolours indicate originality of thought. The whereabouts of much of his work is unknown, but despite the inevitable gaps, his career is sufficiently documented and illustrated to re-introduce an artist well deserving of recognition.

The Devil's Law-Case

BY MICHAEL COVENEY

Our slow but sure re-discovery of the Jacobean repertoire has an important addition at this year's York Festival, where the Theatre Royal company, directed by Michael Winter, is performing John Webster's *The Devil's Law-Case*. Dating from 1617 or 1618, the tragi comedy comes several years after the same author's *The White Devil* and *The Duchess of Malfi*, to which great plays it stands in fascinating relation. Lighter, more domesticated but still suffused with much great poetry, the piece is an enthralling, complicated tale of avarice and revenge suddenly resolved by the hero's moral conversion. There is no record of any professional performance for over 300 years.

Set in Naples, the background is mercantile, not to say mercenary. Romelio, a nobleman of immense wealth, is being investigated by a lawyer representing the King of Spain. Trading in the Indes, east and west, Romelio has struck gold on a large scale, but is determined to marry off his sister, Jolenta, to the wealthy Ercole. His mother, Leonora, is secretly in love with Jolenta's other suitor, Contarino. Through this runs a rich seam of reference to the Renaissance world of trading, adventure and exploration, codes of honour, and even fashion.

These references give the play a rich fascination, but do not account for its immediate appeal. Webster specialised in trial scenes, but not even in *The White Devil* are the mechanics and subtleties of advocacy so brilliantly expounded as in the fourth act, where Leonora brings a suit against her own son in order to ruin him. Romelio is first quite ruthlessly abused by a bent lawyer but the case is being heard by Crispiano, the King of Spain's lawyer. When the prosecution implicates Crispiano as Romelio's father—there is some hilarious cooked evidence involving a seduction scene discreetly conducted in woollen tennis slipper—the lawyer declares himself and the court moves on to bring a murder charge against Romelio.

Mr. Winter's production is not brilliant, nor is it dreadful. There is far too much bowing and doffing of caps, but the play is so astonishing that just to see it at all is nearly enough. The action is placed perfunctorily on a bare stage surrounded by tall slatted doors. Scenes that linger in the memory include the satirical duel over Jolenta in which the participants embrace more frequently than they cross swords; Romelio's devious murder attempt, disguised as a Jewish physician, on the half dead Contarino; Romelio winning his sister to his cause in an ambiguously sexual candle lit bedroom scene; Leonora's beautiful speech in praise of middle age lust; and the extraordinary ritual of coffins and winding sheets, as Romelio prepares himself for death in judicial combat.

As Romelio, Damien Thomas does not really solve the central problem of how avarice and deception lead, in his case, to moral and poetical insight on the human condition. But he has a striking presence and resonant voice. Annette Kerr misses the lusty impulse of Leonora, proclaiming her speeches somewhat coarsely. There are intelligent, subtle contributions from Cynthia Grenville as old Winnifred who defends her perjury with the line Kenneth Tynan used as an apology for his precocious first book, "I am but a young thing, and was drawn arsy-varsy into the business," and, most notably, from Joanne Pearce as Jolenta, making a great deal of the chamber scene transition, from virginal dismay to gleeful participant in Romelio's dark intentions.

Così fan tutte

BY ELIZABETH FORBES

During the past week the Guildhall School of Music has given four performances of *Così fan tutte*, with two different casts on display. Any establishment that can produce two singers for each of the six principal roles of this particular opera is to be congratulated. The cast I heard on Thursday tackled the difficulties with which Mozart's score bristles both bravely and successfully; not every hurdle was overcome without effort, but the performance as a whole gave great pleasure.

The production, directed by Johanna Peters, with sets designed by Richard Curtis Berry and costumes by Daphne Newington, is smooth-running and admirably unfussy. A terrace overlooking the Bay of Naples provides the main setting, with a pavillion—enviably breezy and cool to look at—for the interior scenes. Miss Peters concentrates on the emotions of the characters and their relationships with each other; she does not find it necessary to give the sisters, or their suitors, a lot of distracting business.

The comparative youth of the singers is, in five out of six cases, an advantage, and one that is positively used in this production. The Fiordiligi of Phillipa Dames-Longworth and the Dorabella of Jenny Miller are well-contrasted, both vocally and in their temperaments; on the surface Miss Miller would make the more convincing Fiordiligi, but the casting against dramatice type gives her Dorabella an unusually interesting depth of character, which her warm, vibrant voice endorses.

Miss Dames-Longworth manages Fiordiligi's two fearsome arias creditably, though with some strain; but even this she turns to good effect, playing the elder sister as a less than usually aggressive personality from the start. The most stylish singing of the performance comes from Maldwyn Davies (a professional standing in for an indisposed student) as Ferrando. He uses his fine lyric tenor with conspicuous good taste, phrasing elegantly and projecting the text, sung in Ruth and Thomas Martin's English version, as clearly as could be desired.

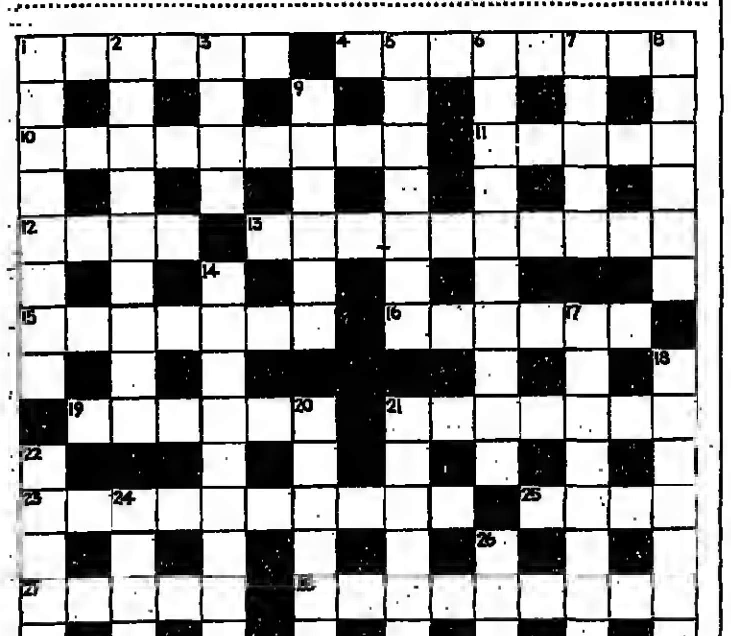
James Meek's Guglielmo is not sung with quite such finish, but it is acted with deeper involvement and infectious energy. Michelle Todd makes a lively Despina, her sense of humour equal to every emergency, her common sense always in evidence. Brian Scott does not try to give Don Alfonso a cynicism that might sit oddly on a philosopher demonstrably younger than average, but he exerts an authority that does adequately instead. Christopher Fifield conducts with firm, supportive rhythms and paces the score well; he draws some eloquent playing from the student Orchestra.

F.T. CROSSWORD PUZZLE No. 4,291

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



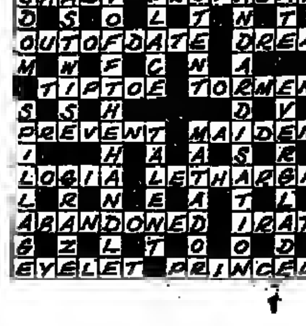
ACROSS

1 Relative appears in a knot (6)
4 Off his game—teacher could not find his pupils (4, 4)
10 Miners act to reform the wrong-doer (9)
11 Three-fold match (5)
12 Unusual get-together of two army units (4)
13 Insignificant employee found on watch (6, 4)
15 "His pencil in the gloom of earthquake and ——")Shelley) (7)
16 Sixpence for a canopy (6)
19 Dad's bird is no longer young (4, 2)
21 Old King includes a course at the university (7)
23 Where to find dolmen and trillthon (10)
25 Just a blonda (4)
27 A Greek letter in this period is the bane of gardeners (5)
28 He is totally opposed to immigration (9)
29 Activate strange reigns among orientals (8)
30 Turns up with Bob in The Ram (6)

DOWN

1 They afford a sticky perch for those in difficulties (3-5)
2 One country includes nearly everyone in another (9)
3 The answer to "What is your name?" as a rule (4)
5 Suggests credit where proof is wanting (2, 5)
6 Founder of horse-market turns everything to pieces (10)
7 French and German agreement to this Board (5)
8 Mounting grief discovered in my tune (6)
9 Soldier at sea gets direction in American state (6)
14 Dalmatian dessert (7, 3)
17 Lifts a strange earl's veto (9)
18 *Inventories of soldiers* (8)
20 Alliance of powers he found in cabs (3, 4)
21 The company finds the chap convincing (6)
22 Flight from reality (6)
24 Let us see the colour of your money (5)
26 "Fame *is* the —— that the clear spirit doth raise" (4)

Solution to puzzle No. 4,290



TV Radio

BBC 1

†Indicates programme in black and white

7.15-8.30 am Open University (Ultra high frequency only). 9.15 The Banana Splits. 9.45 The Adventure Game. 10.25 Feeling Great! †10.35 Zorro. 11.00 Mickey Mouse Club. 11.22 Weather. 11.25 Cricket: First Test—England v West Indies.
1.30 pm Grandstand: Boxing (1.35) Mike Barrett/Mickey Duff promotion; Racing from Havdock Park (1.50, 2.25, 3.00); Cricket: First Test (2.10, 2.40, 3.15); Modern Pentathlon (4.15) The Debenhams International; Athletics (4.35) West Germany v Great Britain v Hungary (Women); Boxing Preview of the World Lightweight Championship (4.50); 5.00 Final Score.
5.10 News.
5.20 Sport/Regional News.
5.25 California Fever.
6.15 What's On Wogan?
6.50 Saturday Night at the Movies: "Ice Station Zebra" starring Rock Hudson.
9.10 Knots Landing.
10.00 News.
10.10 Telford's Chanee.
11.00 Saturday Night at the Mill.
†11.50 Phil Silvers as Sergeant Bilko.

All Regions as BBC 1 except as follows:—

Cymru/Wales — 5.20-5.25 pm Sports News Wales. 12.15 am News and Weather for Wales.

Scotland—12.15 am News and Weather for Scotland.

Northern Ireland—5.20-5.25 pm Northern Ireland News. 12.15 am News and Weather for Northern Ireland.

England—5.20-5.25 pm (South-West only) Saturday Spotlight.

BBC 2

7.40 am Open University.
†2.45 pm Saturday Cinema: "The Bishop's Wife," starring Cary Grant, Loretta Young and David Niven.
4.30 Cricket: First Test—England v West Indies.
6.35 Freak Out and the Space Walk, including 7.25-7.40 News and Sport.
8.25 Dance Mooth.
9.20 The Levin Interviews: Bernard Levin talks to Sir Michael Tippett.
9.50 Film International: "The Indians Are Still Far Away."
11.25 News on 2.
11.30 Return Call to Brass Tacks.
11.40 Cricket: First Test (highlights).
†12.05 am Dance Mooth: "42nd Street," starring Warner Baxter and Bebe Daniels.

LONDON

8.55 am Sesame Street. 9.55 Super Friends. 10.30 Fun Factory.
12.30 pm World of Sport: 12.35 International Sports Special —(Part 1) Gymnastics followed by the Australian Pools Check: 1.00 International Football Round-up: 1.10 Australian Pools check; 1.15 News; 1.20 ITV Six —1.30, 2.00 and 2.35 from Catterick; 1.45, 2.20 and 2.55 from Epsom; 3.10 International Sports Special—(Part 2) Schoolboy Soccer: England v Scotland; 4.55 Results Service.
5.10 News.
5.20 Cartoon Time.
5.35 Happy Days.
6.05 Mixed Blessings.
6.35 Chips.
7.30 "Dirty Money," starring Ian McShane.
9.30 News.
9.45 Tales of the Unexpected.
10.15 "Sharon: Portrait of a Mistress" (TV Movie).
12.00 Pro-Celebrity Darts.
12.30 am Close: Personal Choice with Denise Coffey.

All IBA Regions as London except at the following times:—

ANGLIA

9.20 am Tarzan. 10.10 Fanface. 5.35 pm Mork and Mindy. 8.00 Sale of the Century. 8.35 A Man Called Sloane. 10.15 Star Parade. 11.15 Soap. 11.45 Chopper One. 12.15 am At the End of the Day.

ATV

9.10 am Invasion Road. 5.35 Public Office. 10.00 Bailey's Bird. 5.20 pm The Woody Woodpecker Show. 5.35 Mork and Mindy. 6.35 BJ and the Bear. 10.15 Saturday Cinema: "The House That Wouldn't Die," starring Barbara Stanwyck and Richard Egan. 11.40 Lifeline.

BORDER

5.10 am Crisis?—The Energy Question. 8.35 Public Office. 10.00 Untamed World. 5.30 pm Mork and Mindy. 6.30 BJ and the Bear. 8.50 Last Night of the Proms.

CHANNEL

5.20 pm Puffin's Pla(i)ce. 5.23 Cartoon Time. 5.30 Mork and Mindy. 6.30 BJ and the Bear. 10.15 Sea and Ships. 10.45 Pro-Celebrity Snooker. 11.30 The Electric Theatre Show.

GRAMPIAN

8.20 am The Beachcombers. 8.45 Cuir Car. 10.15 Cartoon Time. 5.35 pm Mork and Mindy, followed by Area Weather Forecast and Shinty Results. 5.35 The Incredible Hulk. 7.30 TV Movie: "The Blue Knight." 8.50 Last Night of the Proms. 10.15 Tales of the Unexpected. 11.15 Seachd Laithean. 11.00 Police Woman. 12.00 Reflections.

GRANADA

8.30 am Invasion Road. 10.00 Cartoon. 10.05 Batman. 5.35 pm Mork and Mindy. 5.35 The Incredible Hulk. 10.15 Celebrity Concert. 11.10 Darts World Knock-out Cup. 11.45 For Adults Only: "The Strange Affair."

HTV

8.15 am Public Office. 9.40 Link. 10.05 Fangface. 5.30 pm Mork and Mindy. 10.15 The Electric Theatre Show. 10.45 Vegas. 11.45 The Entertainers: Tony Christie.

HTV Cymru/Wales—As HTV West/HTV General Service except: 5.35-6.05 pm Sion A Sian.

SCOTTISH

8.10 am Invasion Road. 5.35 Build Your Own Boat. 10.00 Sam. 6.35 pm A Man Called Sloane. 7.30 TV Movie: "The Blue Knight." 8.50 Last Night of the Proms from Edinburgh with the Scottish National Orchestra, conducted by Sir Alexander Gibson. 10.45 Soap. 11.15 pm Late Call. 11.20 Star Parade.

SOUTHERN

8.00 am Sesame Street. 10.00 Fangface. 10.27 Regional Weather Forecast. 5.20 pm Magilla Gorilla. 5.35 Mork and Mindy. 6.35 Charlie's Angels. 10.15 Southern News. 10.20 The Barry Westwood Talkabout. 11.20 Caterina Valente in Concert.

TYNE TEES

9.00 am Saturday Shake-up. 9.05 Tarzan. 5.55 Saturday Shake-up. 10.05 Moby Dick and the Mighty Mitor. 10.30 Saturday Shake-up. 10.50 Saturday Morning Movie: "Three For The Road," starring Alex Rocco. 12.20 pm Saturday Shake-up. 5.20 Cartoon (Popeye). 5.30 Sale of the Century. 6.30 A Man Called Sloane. 10.15 Saturday Shoot-out—"McCabe And Mrs. Miller," starring Warren Beatty and Julie Christie. 12.25 am Epilogue.

ULSTER

8.30 am Invasion Road. 5.55 Cartoon Time. 10.15 Larry the Lamb. 5.35 pm Sam. 5.35 Charlie's Angels. 9.44 Ulster Weather. 10.15 Celebrity Concert. 11.10 Sports Results. 11.18 Barney Miller.

WESTWARD

8.30 am Target the Impossible. 9.55 Look and See. 10.00 Rocket Robin Hood. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.20 Westward News. 5.23 Cartoon Time. 5.35 Mork and Mindy. 6.35 BJ and the Bear. 10.15 Sea and Ships. 10.45 Pro-Celebrity Snooker. 11.30 The Electric Theatre Show. 11.55 Faith For Life. 12.00 West Country Weather.

YORKSHIRE

5.00 am Spiderman. 5.15 Beachcombers. 8.40 The Man From Atlantis. 6.35 pm A Man Called Sloane. 10.18 The Big Film: "Wait Until Dark," starring Audrey Hepburn. 12.15 am The Entertainers.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 News. 7.03 *Playground.* 8.00 Tony Blackburn with Junior Choice. 10.00 Peter Powell. 1.00 pm *Adrian Juste* (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Rock on Saturday (S). 7.30-6.00 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 1.00 pm With Radio 1. 7.30 With Radio 2. 10.02 Sentimental Journey (S). 11.02 Sports Desk. 11.10 Bob Kilbey with the Late Show (S). 11.30-6.00 am With Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tom Edwards (S) including 8.03 Racing Bulletin. 8.06 David Jacobs with Star Sounds (S). 10.02 Pete Murray's Saturday Show (S). 1.02 pm Punch Line. 1.30 Sport on 2: Racing Special from Epsom (1.40, 2.15, 2.50, 4.50, 5.45); *Cricket: First Test* (1.30, 155, 2.45, 3.45, 4.45, 5.50) England v West Indies, plus news of Schweppes Championship games; Rugby Union (1.30, 2.30, 3.10, 3.50, 4.50, 5.25) Transvaal v British Lions, news of Tennis, Football, Cycling, Golf; 5.45 Racing results. 8.03 Europe '80. 7.02 Three in a Row. 7.30 Sports Desk. 7.33 BBC International Festival of Light Music (S). 10.02 Big Fight Special: World Lightweight Title: Jim Watt v Howard Davis. 11.30 Bob Kilbey (S) (continued from VHF) with The Late Show, including 12.00 News. 2.02-6.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release of music by Martinu (S). 10.55 Bandstand (S). 11.25 Cricket: First Test—England v West Indies, including 1.35 pm News, 1.40 A View from the Boundary, and 2.00 Lunchtime Scoreboard. 5.40 The Organ Works of J. S. Bach (S). 7.20 A Musical Ramble (S). 7.40 Jean Francaix Chamber music (S). 8.00 Scottish National Orchestra concert, part 1 (S). 8.25 Compton MacKenzie (talk from the BBC Sound Archives). 9.40 Concert, part 2 (S). 10.15 The Waltz (monologue by Dorothy Parker). 10.30 Schumann and Wolf song recital (S). 11.00 News. 11.05-11.15 Oabussy (S).

VHF—With Medium Wave except as follows: 5.00-8.00 am Open University. 11.25 Bach Cantatas (S). 11.45 Diversions (S). 1.00 pm News. 1.05 *Early Music Forum* (S). *2.00 Play It Again* (S). 5.00 Jazz Record Requests (S). 5.45-6.40 Critics' Forum.

RADIO 4

5.25 am Shipping Forecast. 5.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Yesterday in Parliament. 8.59 Continental travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service. 10.45 Pick of the Week (S). 11.35 International Assignment. 12.00 News. 12.02 pm Money Box. 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. 1.10 *Any Questions?* 1.55 *Shipping Forecast.* 2.00 News. 2.05 Wildlife. 2.30 Little Dorrit. 3.25 Join Radio 3. 5.00 You Are What You Eat. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 News. 6.15 Desert Island Discs with Freddie Jones. 6.55 Stop The Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre. 5.58 Weather. 10.00 News. 10.15 To the *Far Corners of the Earth* (portrait of the RGS). 11.00 Lighten Our Darkness. 11.15 The Magic of Music (S). 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, sport. 8.15 Weekend What's On. 8.30 Bob Powel's London Country. 10.03 Stuart Colman's Echoes. 11.30 The Robbie Vincent Show. 2.00 pm Time Off. 3.00 Robert Hudson. 4.00 Rail at Rainhill. 5.00 Join Radio 2. 7.00 Young Musicians Symphony Orchestra. 10.00-6.00 am Join Radio 2.

London Broadcasting

7.00 am AM—Des Fahy. 10.00 Jellybone. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Geet Mala. 8.00 Our Kind of Town. *9.00 The London Interview with Sir John Grugeon, Leader of Kent County Council and a City of London businessman.* 10.00 Nightline. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

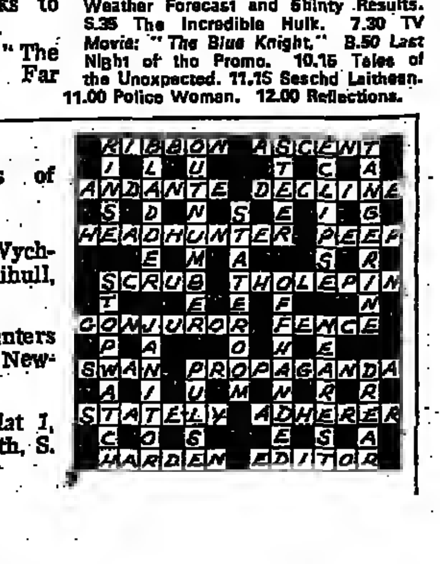
6.00 am Kerry Juby's Breakfast Show (S). 5.00 Capital Countdown with Peter Young (S). 12.00 Alan ("Fluff") Freeman (S). 3.00 pm Duncan Johnson's Afternoon Delight (S). 5.00 Greg Edwards's Soul Spectrum (S). 8.00 David Rodigan's Roots Rockers (S). 8.00 Nicky Horne's "Six of the Best" (S). 12.00 After Midnight with Peter Young (S). 4.00 am The Collection (Classical Music) (S).

Solution and winners of puzzle No. 4,285.

Mr. E. M. R. Brown, 56 Wychwood Avenue, Knowle, Solihull, West Midlands, B93 9DQ.

Miss H. Cosgrove, 67 Hunters Road, Spital Tongues, Newcastle.

Mr. R. H. Duke, c/o Flat 1, No. 4 The Beacon, Exmouth, S. Devon, EX8 2AG.



CHESS SOLUTIONS

Solution to Position No. 322

1 R-Q7! and if RxR; 2 QxB mate, or if R-K2; 2 RxR ch, or if KxR; 2 QxR ch and Black's game collapses. A remarkable oversight.

Solution to Problem No. 323

1 BQ1, K-K4; 2 B-B2, K-B3; 3 B-B3 mate. If 1 . . . K-Q6; 2 N-B3; K-K5; 3 B-B2 mate.

COLLECTING

Pros and cons of open display

BY JUNE FIELD

"THE WORKS of art, by being publicly exhibited and offered for sale, are becoming articles of trade, following as such the unreasoning laws of markets and fashion; and even privata patronage is swayed by their tyrannical influence," Albert, the Prince Consort, declared regretfully at the Royal Academy dinner on May 3, 1851.

While Queen Victoria's husband obviously considered that art appreciation was getting too commercial, in today's economic climate it is an essential factor. And "selling" exhibitions give dealers a chance to display and dispose of their goods to a wider public than would normally visit their premises.

In addition exhibitions are good public relations, often attracting items of a similar nature, the much-needed stock so vital to a steady turnover. "We have to do something to counteract the business pouring into the big auction houses," admitted one dealer, thinking of Sotheby's discovery events, Christie's "probes," Phillips' travelling appraisal service and Bonham's mobile valnation unit, which, because of the public's in-born distrust of dealers, bring in long-hidden family treasures for free valuation and, in many cases, sale.

But the public often overlooks an important advantaga that the trade has over the auction room, the dealers claim. That is privacy and discretion. They point out that the bringing along of an heirloom to a discovery day, television programme or whatever, advertises to all and sundry tha valuables you have in your house.

The trade is in for a busy summer now the long-established but recently demised Grosvenor House Antique Dealers' Fair has been revived, incorporated with the Burlington Fine Arts Fair to be known as the Burlington House Fair, at the Royal Academy, September 9-17. Soma dealers are already in the Fine Art and Antiques Fair at Olympia until next Saturday, others are in the Antiquarian Book Fair which opens on Tuesday until Thursday at the Europa Hotel, and some have organised special events in their showrooms throughout the season.

Jonathan Horne started off with his *Exhibition of English Delftware Tiles*, which goes on until June 29. A catalogue of the 18th century tiles, over 400 of them and not previously recorded, is available for £3.25 or $8 including postage from Mr. Horne, 66B Kensington Church Street, London, W.8.

This week Phillips of Hitchin put on *Beds and Bedroom Furniture 1700-1830* until June 30, with room settings in the Georgian Manor House, Hitchin, Herts, where Frederick William Phillips (grandfather of the present owner Jerome Phillips), first traded in antique furniture in 1884.

There is a fascinating collection of four-poster beds of the Chippendale, Sheraton and Regency periods, a mahogany wardrobe bed of the Hepplewhite period which folds away into a cupboard (Boswell is recorded as having had a comfortable night in such a piece during his tour of the Hebrides), plus chests-of-drawers, dressing tables, washstands and cheval glasses.

18th century engraving of Windsor Bridge in the exhibition, The River Thames from its source to its mauth, at Baynton-Williams until June 21.

Other special displays include *The Golden Age—English Porcelain 1750-1780*, until June 26 at Albert Amor, 37, Bury Street, W1, the House of Garrard Antique Fair, until June 20, sn exhibition of Georgian snuff boxes, *vinaigrettes* and card cases at J. M. Bourdon-Smith, 24, Mason's Yard, Duke Street, W1, on Wednesday and Thursday (catalogue available), snd S. Marchant has "Chinese Blne and White Porcelain, 1570-1720," July 13-25.

The Baynton-Williams Gallery, 18, Lowndes Street, SW1, has an exhibition which opened on Thursday of *The River Thames from its source to its mouth*, which follows the river inmaps, prints and views from its rise in Gloucestershire through all the bordering counties.

This is also part of the Belgravia Art and Antiques Festival (June 16-21), when 20 dealers in the area including *arts nouveau* and *deco* specialist Dan Klein, and Oscar and Peter Johnson's Lowndes Lodge Gallery which specialises in English 18th- and 19th-century paintings, are putting on displays in their showrooms.

Mr. Angus Lloyd, Angus Lodge director, showed me a selection of the paintings which will be on sale from £4,750 to £15,000. "These pictures are really all the best examples of works by such artists as J. B. Ladbrooke, Joseph Thors, Thomas Smythe and so on, and I feel now that the very top names, such as Constable and Turner, are out of the reach of almost everybody from a price paint of view, that these painters have come into their own, and deservedly so."

On Monday until Saturday June 21 there will be a charming exhibition, *Water Colours o Norfolk, 1919-1939*, by Harry Morley (1881-1943), at the Georgian Assembly House, Theatre Street, Norwich. (Open every day except Sunday, 10-30-5.30.)

The watercolours, for sale from £100 to £250, are from the collection of Morley'a daughters, Julia and Beryl.

The glitter of old Gold

COINS

JAMES MACKAY

WITH THE recent fluctuations in tha price of gold the performance of modern gold coins, in which the bullion content tends to be more dominant than the numismatic interest, has been erratic. The older coins, in which numismatic elements far outweigh the intrinsic value, have been more steady while, at the other extreme, the medieval hammered gold have not been affected at all.

If anything, they are relatively undervalued at the moment and there is a trace of irony in the fact that a gold crown of Queen Elizabeth I is worth £70-£90 in fine condition—or roughly twice the price of a brand new Elizabethan gold crown from the Isla of Man.

English hammered gold coins in theory span a period of 1,000 years, but in practice the field is much narrower. Roman Britain had a bimetallic system, but Roman gold and silver swiftly disappeared when the legions departed. By about 600 AD the Anglo-Saxon kingdom of Kent was sufficiently stable to introduce small gold coins, based on the Continental Merovingian type.

These Anglo-Saxon thrymsas are extremely rare and several varieties are unique. These thrymsas were minted in London and Canterbury, but had died out by 675.

In the Midlands, Offa of Mercia prodnced silver pennies which laid the foundations for the silver coinage 'til Tudor times. Offa also dabbled in gold, but only two specimens both unique—have survived this experiment. One was clearly based on the old Roman style but the other was a blatant copy of an Arab dinar of Caliph al-Mansur, complete with Koranic inscription, with OFFA REX in the centre.

At that time European commerce relied heavily on Islamic gold and the few instances in which European states attempted to produce gold coins of their own they were heavily influenced by the Arab dinar.

The marabotins of Spain and the taris of Sicily, minted sporadically in the Middle Ages, all betray this Islamic influence, as did tha gold augustale introduced by the Emperor Frederick II in 1231.

The first of the modern European gold coins was the florino or florin, struck in Florence in 1252 and heralding the return to bimetallism necessitated by the rising prosperity of western Europe. Florence and Genoa, as the principal exporters of European products to the East, were the first to accumulate substantial gold reserves and thus they led the way in the return to gold coinage in tha late 13th century.

With the solitary exception of a penny struck at Warwick in gold during the reign of Edward the Confessor (again unique) no gold coins were produced in England until 1257 when Henry III, virtually bankrupt at the time, ordered the prodnction of gold pennies twice the weight and 20 times the value of the silver pennies.

These beantiful coins, with their full length portrait of the king on the throne, were short-lived and are now so rare that it would be impossible to put a price on it.

For all practical purposes English hammered gold coinage begina in 1344 when Edward III introduced three denominations—the florin or double leopard valued at 6s, the leopard (3s) and the helm (1s 6d). This series was unsuccessful and was superseded later the same year by a heavier coinage. Understandably the leopard serie s is extremely rare.

The new coin was called the noble (6s 8d) or third of a pound, a term used in money of account. The obverse showed the king standing in a ship and is said to be an allusion to the naval victory over the French at Sluys in 1340.

The first nobles are scarce and today are in the price range £3,000-£5,000. Two years later they were reduced in weight, from 138 to 128 grains, and in this form they are worth up to £1,400 in very fine condition. Half nobles of this issue are extremely rare, but quarter nobles are in the £200-£500 bracket.

A third series, in which the noble was further reduced to 120 grains, appeared in 1351 and is known as the pre-Treaty series from the fact that France was inclnded in the king's titles. From 1361, following the Treaty of Bretigny, France was dropped from the titles but Aquitaine was added, and this gives rise to the post-Treaty series.

Pre-Treaty nobles are worth £300-£500 in fine condition, £600-£900 in very fine condition. The pre-Treaty coins incorporated an initial letter L (London) or E (Edward) and aubtle variations in the inscriptions, all of which were deliberately cbanged at annual intervals. Thus it is possible to date these coina very accnrately, even though dates did not appear on them.

Two nobles of this period, dating from 1356, open Sotheby's sale of English and foreign coins on Wednesday, June 11, and are estimated at £700 and £500 respectively. They are followed by a ryal or rose-noble of Edward IV at the latter estimate.

The Hundred Years War, followed by the Wars of the Roses, played havoc with the gold coinage and by the time Edward bad seized the throne in 1461 the "beavy" noble had been redneed to a mera 108 grains.

Paradoxically, the "light" coinage of 1464 which snceeeded it bad a new coin, the ryal, weighiog 120 grains. It continued the aggressive portrait of the king standing fully armed, sword drawn, in the middle of a sbip, symbolic of the assault on France by earlier kings.

In Edward's case it symbolised his invasion of England fro mthe Netherlands when be regained his throne in 1471. His power base lay in the Low Countries and it is significant that a high proportion of the ryals bearings his name were struck in Flanders for over a century after his death.

An intriguing Flemish ryal struck at Gorinchem in Holland as late as 1585, is also featured in this sale at around the same estimate.

CHESS

LEONARD BARDEN

The World Chess Federation's new and more exacting standards for the grandmaster title have reduced the number of qualifiers without stopping tha leaders of the youngest generation. Yasser Seirawan of the U.S., aged 20, won impressively earlier this year at Wijk aan Zee where his brilliancy against Korchnoi (this column, February 16) brought an invitation to join the latter's team of assistants for the world championship cycle.

Gary Kasparov of the USSR's remarkable international debut last year at Banja Luka, where at 16 be spreadeagled a field of experienced grandmasters, was confirmed this spring when he won another strong tournament in his home city of Baku.

Murray Chandler of New Zealand bas also joined the select group of players achieving GM norms while still juniors. Chandler, 20, like Seirawan, lives in London where he plays for the Charlton club and competes regularly in British tournaments. His campaign to become his country'a first grandmaster is being helped by the National Bank of New Zealand and looks sure to be successful. He tied in New York with the American Dr Karl Burger but was ahead of five existing GMs including the Lone Pine winner Dzindzihashvili whom he beat in their indivdual game.

Four of the eleven playars were Soviet emigrants: results were Chandler (NZ) and Burger (U.S.) 7, Dzindzihashvili (Israel) 5½, Gruchacz, Shamkovich and Mednis (all U.S.) 5, Keene (England) and Ermenkov (Bulgaria) 4½, Alburt and Matera (both U.S.) 4, Zaltsman (U.S.) 3½.

Chandler's win against Ermenkov, Bulgaria'a best player, features a highly versatile QN. I recommend marking this piece and watching its career which extends from QR7 to KR7 and concludes only with Black's resignation.

White: M. Chandler (NZ). Black: E. Ermenkov (Bulgaria). Opening: Benoni Defence (New York 1980).

1 P-Q4, P-KN3; 2 P-QB4, B-N2; 3 N-QB3, P-QB4; 4 P-Q5, P-K4; 5 P-Q6 ! ?

This sharp advance cuts across Black's planned steady preparation of . . . P-KB4, and Ermenkov was impressed enough to say afterwards that in future he would opt for the more cautious move order 4 . . . P-Q3.

5 . . . KN-B3; 6 N-N5, N-R3; 7 P-KN3, 0-0; 8 B-N2, R-K1; 9 N-KR3, P-K5; 10 N-B4, P-N3; 11 N-Q5, NxN; 12 QxN, R-N1; 13 NxRP ! ? B-N2; 14 Q-Q1, P-K6.

Trying to refute White's provocative pawn capture, Black overpresses. Better is Q-B3; 15 0-0, Q-K3.

15 0-0, PxP ch; 16 RxP, B-Q5; 17 P-K3, RxP (and bere the simpler BxKP gives more chances); 18 N-N5, Q-K1; 19 BxR, BxB(K6); 20 BxB, RxB; 21 Q-B3, R-N1; 22 R-K1, BxR cb; 23 QxB, Q-KB1; 24 R-K7, R-Q1; 25 N-B3, N-N5; 26 N-K4, P-B4; 27 N-N5, Q-B3; 28 Q-Q2.

Defending the Q6 pawn and the KN5 knight, threatening P-QR3 followed hy Q-Q5 ch, and so forcing Black to exchange into a lost ending.

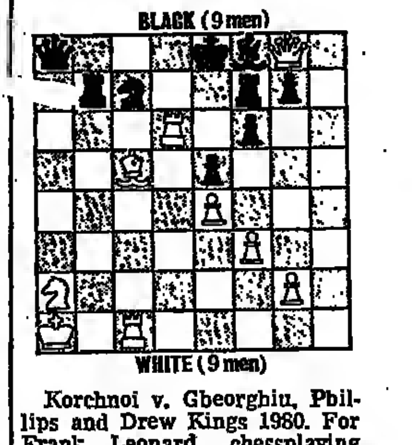
28 . . . Q-Q5 cb; 29 QxQ, PxQ; 30 NxP !

A witty aequel to move 13. Black's QP is easily stopped while White's rook and knight wreak havoc on the seventh rank.

30 . . . P-Q6; 31 K-B2, P-QN4; 32 N-B6 ch, K-B1; 33 NxP ch, K-N1; 34 N-B6 ch, K-B1; 35 N-R7 ch, KN1; 36 P-Q7, N-B3; 37 N-B6 ch, K-B1; 38 R-K8 cb, K-B2; 39 PxP, P-Q7; 40 K-K2, RxP; 41 NxR, N-Q5 ch; 42 KxP, KxR; 43 N-K5, Resigns.

POSITION No. 323

BLACK (9 men)

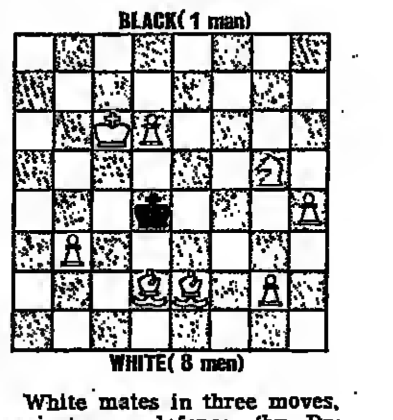


WHITE (9 men)

Korchnoi v. Gheorghiu, Phillips and Drew Kings 1980. For Frank Leonard, chessplaying partner of the sponsoring firm, this diagram provided a highlight of the tuornament—he, and all the spectators, saw the missed chance which cost Korchnoi outright first prize. What should Korchnoi (White, to move) play?

PROBLEM No. 323

BLACK (1 man)



WHITE (8 men)

White mates in three moves, against any defence (by Dr. W. Massman).

Solntions Page 14

BRIDGE

E. P. C. COTTER

In my first hand, which comes from rubber bridge, South dealt with both sides vulnerable:

```
              N.
           ♠ 9 7 5
           ♡ A 10 6 2
           ◇ A 7 5
           ♣ 7 4 3
     W.                 E.
♠ J 8 6 4 3        ♠ 10 2
♡ —                ♡ 7 4 3
◇ K Q              ◇ J 10 9 8 4 3 2
♣ K J 10 6 5 2     ♣ Q
              S.
           ♠ A K Q
           ♡ K Q J 9 8 5
           ◇ 6
           ♣ A 9 8
```

South opened the bidding with two hearts, North raised to three hearts, and South rebid four clubs. After four diamonds from his partner South said four no trumps, and went six bearts after the response of five hearts.

Winning West's diamond King with dummy's Ace, South ruffed a diamond with the beart eight, and cashed the heart Ace, West discarding a club. Another diamond was ruffed in band, and West again discarded a club, the two outstanding trumps were drawn, and the Ace and King of spades were casbed.

The time bad come for counting. East was known to have started life with seven diamonds and three bearts, and bad followed twice to spades. If his one unknown card was a spade, the slam was certain to be defeated—South could not avoid the loss of two club tricks. There was one bope—if East's last card was a club honour, preferably the King, it might be possible to force East into the lead to make a fatal return.

Nonchalantly, Sonth played his club eight. Now if West plays low or thinks it is sufficient to cover with his ten, East wins with the Queen, and has to concede a ruff discard hy a diamond return. But West, too, could count—he knew his partner had only one club, and it might well be the Queen. So be played his club King—the Crocodile Coup—swallowing up his partner's Queen and saving him from the endplay. The play cannot cost—if South bas played the eight from AQ 8, it makes no difference what West plays.

In the second hand from match play East dealt at game all and bid one heart. This was passed to North wbo reopened with a double. South replied with one spade, and went four spades after a double raise from his partner:

```
              N.
           ♠ K 10 4 3
           ♡ A 6 5
           ◇ A K 8
           ♣ K Q 7
     W.                 E.
♠ —                ♠ Q J 2
♡ Q 4 3            ♡ K 10 9 8 7
◇ J 9 6 5 2        ◇ Q 10
♣ 9 5 4 3 2        ♣ A J 10
              S.
           ♠ A 9 8 7 6 5
           ♡ J 2
           ◇ 7 4 3
           ♣ 8 6
```

West led the beart three, South won with dummy's Ace, and played the spade King. When West failed to follow sult, declarer led a beart, East won, and returned the spade Queen. Winning with the Ace, South led a club to the Queen, East won, cashed the spade Knave, and exited with a club. The declarer lost a trick in eacb suit.

Better technique lands the game. The heart lead is ducked in dummy, East takes his King, and returns a heart to the Ace. The spade three is covered hy Knave and Ace, and West discards. A club is led to the Queen and Ace, and East's heart return is ruffed in hand.

The position grows clearer. If East has a doubleton diamond, be can be endplayed. The club King is casbed, a club is ruffed, and the Ace and King of diamonds are cashed. When East's Qneen drops, declarer's hopes rise. The stage is set for the endplay. Sonth plays the spade King, and throws East in with a spade to the Queen, and disposes of bis diamond loser on the ensuing ruff discard.

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Saturday June 7 1980

Ministers bide their time

THE MAXIM that what goes up must come down was the main solace offered to investors, industrialists and homeowners by the Government last November, when Minimum Lending Rate was raised to 17 per cent. Seven months later the Conservative Party's natural supporters are becoming a little jaded. Pressure on Ministers to provide something more encouraging than promises that things must get worse before they get better have been building up, particularly from industrialists, who have been taking most of the monetary strain. It is not surprising therefore that Ministers have found it impossible to resist the temptation of allowing a few words of hope on interest rates to creep into the speeches they have been making this week.

No change

Admittedly, Mrs. Thatcher's somewhat muddled remark in Parliament about using the EEC budget refund to reduce government borrowing and cut interest rates, was followed by a swift and less encouraging clarification from the Treasury. Similarly, rumours that the special Cabinet meeting called for next month would be used as an occasion to re-assess economic strategy have been firmly denied. But the Chancellor's speech in Brighton yesterday put such denials into their correct context by reminding dispirited supporters of the Government's policy, who might have forgotten, that "achieving the monetary objectives with lower interest rates is an important element in the strategy. And a reduction of interest rates, when it does come, will of course imply no change in Government policy."

Even the Government's principal economic Jeremiah, Mr. John Biffen, was moved to declare yesterday that "panic over pay is a particular midsummer madness" that traditionally grips British economic commentators and policy-makers at around this time of year. Looking at the economy in what he calls a "calmly reflective mood," both he and the Chancellor have been taking encouragement from what they see as an increasingly realistic attitude to pay in the private sector. There also seems to be a degree of confidence about the Government's ability to work out over the coming weeks a "view" on pay in the public sector which can be made to stick.

There is still plenty of room for doubt about when the decline in interest rates will begin and about how far it will be allowed to go. But at least Ministerial statements no longer suggest the almost masochistic attachment to high interest rates, even after the attainment of monetary targets, which was in evidence a few weeks ago.

This, at any rate, seems to be the reading of the political mood prevailing in the markets at the moment. When the Chancellor's speech was issued, well after the official close of the gilt-edged market, prices went significantly higher. The abrupt fall in sterling, after Mrs. Thatcher's comments on Tuesday were interpreted as a signal on interest rates, has already gone down in the annals of the market as an example of investors' determination to conjure with political shadows. More significant has been the strength of the equity market this week. Despite the £108m call for new capital from Land Securities, the FT index rose by 15 points, in the face of announcements of redundancies and falling sales from another string of blue-chip companies: hopes for a fall in interest rates are the only explanation of the resilience of the equity market.

Perhaps the best indication of investors' rising hopes has been the behaviour of the money market in the past few days. One discount house was said to have snapped up the whole of yesterday's treasury bill tender. The impression was widespread that overnight rates would have fallen below 17 per cent if it had not been for the Bank of England's decision to force the clearers to repurchase the £1bn of gilts which it had bought from them to ease monetary shortages.

Signal

The Bank's action, however, reinforced in practice what Ministers had been propounding in theory: that the Government will not be rushed into a cut in interest rates until it is absolutely ready. What happy conjuncture of banking and monetary statistics the Government takes as a signal to act remains to be seen, but next week's banking figures and Ministers' reactions to them should provide important clues.

These figures will provide the Government with an opportunity to clarify its monetary views. If the emphasis on bank lending, rather than monetary growth, which was injected into the policy debate by the Government's response to the last set of monetary indicators, is confirmed, Ministers may find themselves under attack not only from industry, but also from City monetarists. Indeed if the monetary trends established over the past few months continue, with bank lending to overstocked industry growing much more strongly than money supply, which is constrained by enormous sales of gilts, then it may be the honest-to-goodness monetarists, who argue for a relaxation of policy at next month's special Cabinet meeting. The hard-line deflationists will have to come out from behind their monetarist masks.

The giants who made Courtaulds

BY GEOFFREY OWEN AND RICHARD LAMBERT

GEORGE COURTAULD I was "a kindly, spirited man of high principles and virtuous intentions; he changed his mind with notable frequency and was remarkably deficient in business acumen." Yet out of his faltering ventures in the East Anglian silk industry in the early 19th century has grown Europe's biggest and, despite its present problems, most successful textile group. Courtaulds is in large measure the creation of three exceptional men: George's son Samuel, who by 1850 had built the leading crape manufacturing business in the country; H. G. Tetley, who created a hugely profitable rayon empire in the early years of the 20th century; and Frank Kearton, who re-fashioned the company after the ICI bid in 1961.

At critical moments in its history, when it was in danger of going under, these three men seized hold of the business and, with a combination of boundless energy and entrepreneurial flair—just the qualities which George Courtauld lacked—drove it in new directions. Their style and their impact on the company were similar, summed up in a remark made by Kearton in 1965: "A positive and indeed a very baleful personality is needed to make a success of the tough businesses. One can still remain, I hope, sweetly considerate in private life; business is quite different."

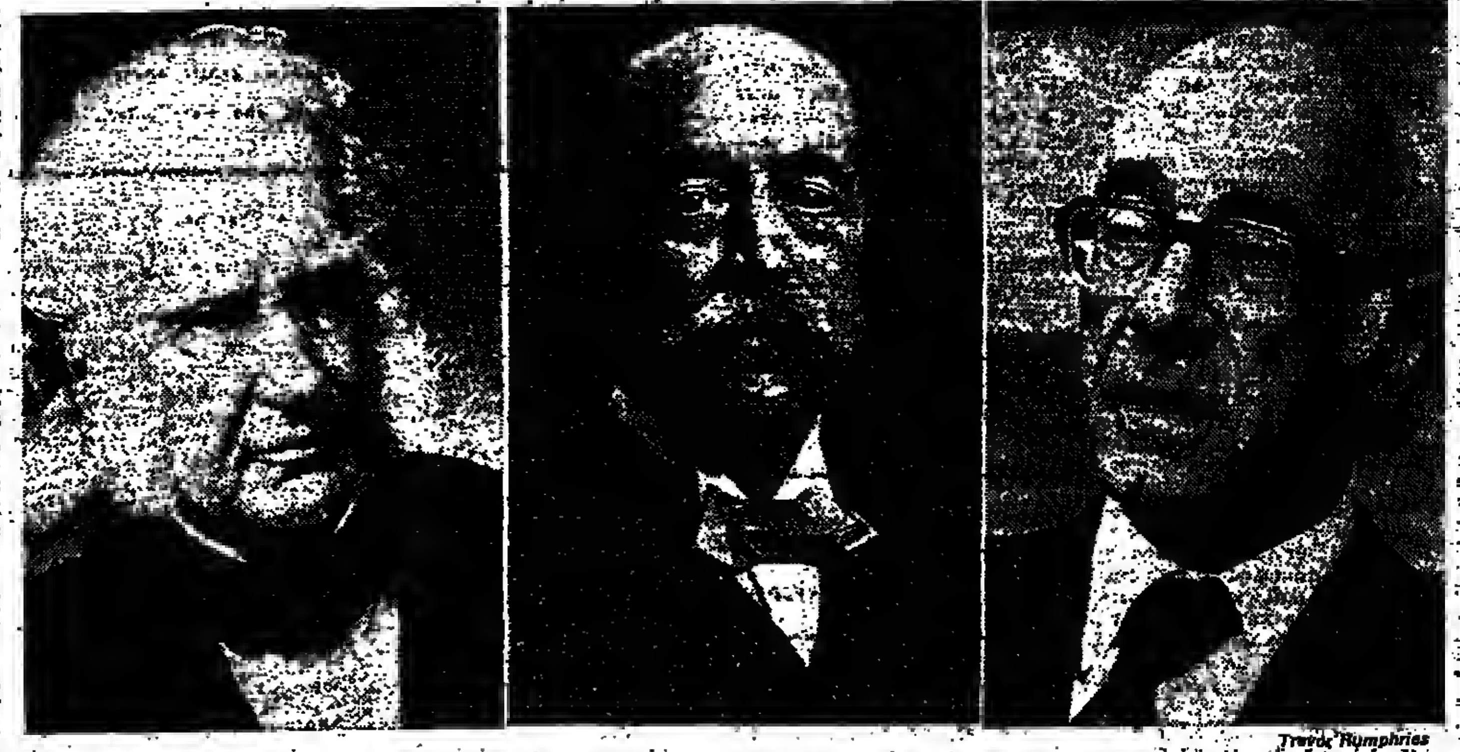
All this has been told in a wealth of highly readable detail

> **I get up in the morning breathing the word 'profits'**
> *Lord Kearton*

by Professor Donald Coleman; the third volume of his history of Courtaulds was published this week. Apart from its importance as a piece of economic and social history, the work sheds fascinating light on the personal qualities which make for success or failure in business.

Samuel Courtauld III came into the silk trade out of a sense of family responsibility. It was his "violent reaction against the financial and social straits in which his father's well-meaning incompetence had landed the family, that drove him forward." After mastering the technical processes involved, he successfully exploited the enormous market which the Victorian era provided for mourning crape.

"To a very substantial extent," Professor Coleman writes, "Sam Courtauld was the firm which bore his name. He made it, shaped it, ran it, dominated it." He did much of the silk buying, took the major policy decisions and was particularly concerned with manufacturing matters. He had prodigious energy, allied to above-average intelligence and a gift for organisation and careful supervision.



Trevor Humphries

The men who revived Courtaulds: Samuel Courtauld III (left) (1793-1881), H. G. Tetley (1851-1921) and Lord Kearton (1911-).

There was in his character "a mild flavour of the paranoid and faint symptoms of the manic-depressive." He oscillated between deep dejection and intense euphoria. In his old age he said that, as a small boy, when asked what he wanted to be, he had replied: "anything, in a large way."

The similarities with the next great figure in the Courtauld's story, Henry George Tetley, are striking. After Sam's death in 1881 the partners found themselves grappling with a crisis which stemmed partly from the swing of fashion against mourning crape and partly from their own management failings.

Fortunately one of them had the sense to appreciate the need to bring in an outsider with experience of the textile industry. Tetley, who had spent 22 years with the successful Lancashire firm of Lister, was hired in 1893 and was made a director five years later—the firm had become a limited liability company in 1890. He promptly set about cost reduction, modernisation of equipment and the development of new fabrics. But his crucial contribution was to acquire the patents for the new viscose process and to make the process work, thus launching Courtaulds into the production of artificial silk or rayon.

Tetley raised the funds to exploit viscose by a public flotation. Within seven years the firm went from a state in which profits were too small for comfortable survival to one in which they seemed too big for comfortable disclosure. Tetley's second coup in securing the U.S. patents led to the formation of American Viscose. Backed by import protection, this firm became the dominant U.S. rayon producer. Its profits, though shrouded in mystery, were such that Fortune described it as "one of the industrial miracles of our time, a phenomenon comparable to Standard Oil or the automobile empire of Henry Ford."

Both Samuel Courtauld III and Tetley seem to have had a fearsome manner, qualities of arrogant or domineering behaviour which could appear as bombastic, and a ruthless impatience which trampled over, rather than bypassed, obstacles.

Like Sam Courtauld, Tetley contributed neither capital nor significant technical innovation. The successes of both lay in acts of business creation, the building of effective organisations, the provision of dynamic and imaginative leadership, putting to use other men's capital and other men's inventions.

After the great surge forward under Tetley, reaction again set in—just as it did after the death of Sam Courtauld. Unlike Tetley, who shunned publicity, Samuel Courtauld IV, chairman from 1921 to 1946, was well-known both for his public pronouncements on industrial

> **Bairns-Wear needs not just a wind of change but a gale of change**
> *Lord Kearton*

issues and as a collector of French impressionist paintings. His approach to business was peaceable conciliation rather than ruthless competition—hence his market-sharing pacts with overseas rayon producers and his gentlemen's agreement with ICI in 1928, whereby each agreed to stay clear of the other's territory.

The loss of American Viscose in 1940 was a bitter blow; it was sold by the British Government as a political sop to secure Congressional approval of the Lend-Lease Act. But by then the U.S. subsidiary was no longer the gold mine that it had been in the 1920s. It was as much in need of new blood and new ideas as Courtaulds' business in the UK. Yet neither Samuel Courtauld nor his successor, Sir John Hanbury-Williams, were able to provide them.

The rich profits vein which had carried the group through decades of complacency was finally running out. Nylon was becoming available in increasing quantities, the rayon stocking was on the way out, and the demand for viscose yarn for such products as dress fabrics and the lace trades, was falling sharply. Courtaulds cast around with a growing sense of urgency for new sources of profits. Fortunately there was a Tetley-like figure waiting in the wings.

The man charged with the task of diversification was a scientist who had made a name for himself on the UK atomic energy project during the war, and had joined Courtaulds from ICI in 1946. By 1950 he had been picked out as Board material—a deputy chairman commented: "Very able, quick thinking and probably quick tempered . . . I don't think he will tolerate fools and may be over-ambitious"—and he became a director in 1952. His name was Frank Kearton.

Kearton tackled the task with characteristic energy. Within a short period his staff had made 54 detailed [illegible] possible companies [illegible] fields as hotels, mate[illegible]ing and jew[illegible].

Between [illegible] group spent [illegible] British [illegible] and paint businesses, and in [illegible] suit of rationalisation within the UK viscose industry. Kearton had become a dominating, although not widely loved figure in Courtaulds' boardroom. In particular, there was developing a growing gulf between him and the other outstanding figure on the Board, Sir Alan Wilson, who was later to become chairman of Glaxo.

Frank Kearton, who was five years younger than Wilson, combined "high intelligence with a thrusting impulsiveness and a fluctuating temper which showed the familiar signs of the mildly manic-depressive — hurtling from euphoria and great personal charm to gloom-laden paranoia or violent abuse."

Such tensions as those between Kearton and Wilson were not new to Courtaulds. One of Kearton's outbursts against Wilson is reminiscent, almost to a phrase, of the language, of his nineteenth century predecessor, Samuel Courtauld III.

Kearton's energies, already active in the 1950s, were liberated and given full rein by the takeover bid from ICI in 1961. ICI thought that it would be little more than a formality to secure the acquiescence of an apparently demoralised Courtaulds Board. Instead, its approach dynamised the group in several ways.

It gave Courtaulds management a new look, shaped largely by Kearton with a series of brilliant public relations coups. There was to be no [illegible] the old brigade, [illegible] of [illegible] pe of so[illegible]us [illegible] the heat of [illegible] which had to be [illegible] if the group [illegible] distracted. And it [illegible] n of [illegible] at he was able to push through his policies by the sheer force of his personality.

Professor Coleman argues that once the [illegible] had been committed to retaining its independence and identity, there was no serious economic alternative to a gamble on economic expansion, accompanied by a ruthless concern for profitability. It would not have been enough to rely on cost reductions, greater marketing efforts, or a big drive to find new products. And if survival meant risk taking and ruthlessness, then it also required an entrepreneur at the top.

Kearton was determined to batter or cajole the group into shape. Little more than three years after the defeat of the bid, Kearton had become chairman. Courtaulds had carried out an extraordinary series of take-over bids, which had exceeded in total value those of 1956-61, and built thereby a "vertical fibre-textile group."

Kearton's personal imprint was visible in every aspect of the business: lashing one manager for his "most unhealthy" stock turn ratio and another for his preoccupation with computers; reorganising the U.S. business after what he described as a "decade of fumbling mismanagement"; putting relentless pressure on the South African company to make more money.

Of course Kearton made mistakes, and in some respects his successors are still picking up the tab. But Courtaulds made its profits forecast—and not just because of its take-over bids and an upturn in the business cycle.

> **Softness at the top spreads rapidly down an organisation**
> *Lord Kearton*

In the early 1960s there [illegible] fundamental improve[illegible] [illegible].

What does it take to [illegible] and knock into shape [illegible] business which has [illegible] a critical level of vulnerability? The necessary policies, Professor Coleman concludes, are not normally executed by committees, long suffering accountants, patient intellectuals or unimaginative bureaucrats.

"The historical record suggests, instead, that they are carried out by men who combine intelligence with a driving ambition which endows them with an exceptional capacity for hard work, who possess a powerful and restless urge for achievement often attended by a degree of paranoia which makes them uneasy companions, and whose decisions are marked by a certain violence of expression and action which often ensures that, in their business relations at least, they inspire respect rather than affection. Such men create successful new businesses or force radical change in existing businesses."

Courtaulds, an economic and social history. D. C. Coleman. Oxford University Press, £15.00.

Letters to the Editor

Business names

From the Chairman, Institute of Credit Management

Sir,—This Institute is totally opposed to the suggestion that the Business Names Registry should be closed since if credit is to be granted then the business community must know with whom they are dealing. It is not sufficient in our view for the sole trader or partnership merely to disclose the name of the principal or partners concerned by notice at the business premises. There are of course exceptions to this such as Solicitors and Accountants, where changes take place on a fairly regular basis and presumably they can be granted some sort of exemption.

We see no reason why the Business Names Registry should not be put on a proper business footing and charges made accordingly so that it is run profitably, then presumably even the Government would not complain about the number of civil servants involved.

Policing would be a fairly simple operation if the Customs and Excise were to require a copy of the Business Names Registration Certificate before granting VAT registration.

P. Granville White.
1, Wardrobe Place,
Carter Lane, EC4.

Imported machinery

From Mr. John French.

Sir,—I read with interest David Churchill's article "Heavy Reliance on Imported Machinery" June 2. The comments and conclusions are applicable to the whole of the food and drink machinery industry, not merely mechanical handling. If, however, the equipment manufacturers are to meet the European competition I believe there needs to be a radical change in the attitude and commitment by both makers and users to innovation.

The NEDO Joint Steering Group which I chaired two years ago concluded that links between maker and user of equipment were weaker in the UK, resulting in poor understanding of market demands, that lessons learned in service were not always incorporated as improvements, and that there was insufficient commitment to development. The result is that, too frequently, innovation and developments by makers lag behind the users' needs, and lag behind European competition.

However, do UK users make their needs known and give a clear lead to the makers?—and are they prepared to take innovative risks?

To compete effectively with European suppliers — particularly in the food and drink machinery market—I believe both maker and user need to be positive in three ways.

First the maker/user links need to be strong, based on both trust and sound commercial relations, so that information on plans is exchanged and performance in service is fed back.

Second both maker and user need to be committed to continuing innovation with all that implies in budgetary support in hard economic times.

Third both maker and user need to be more prepared to take risks and give adequate backing to get new products and processes introduced.

European machinery makers develop their equipment in their home markets with user support, and then launch into export markets. We need to do the same to compete effectively.

John French,
Member of NEDO Food, Drink and Packaging Machinery SWP.
61, Fishpool Street,
St. Albans, Herts.

Agricultural prices

From the Hon. Neil D. Campbell

Sir, — Your correspondent Margaret van Hattem consistently writes as if a price freeze in agriculture would solve the problems of the CAP. I do not think she knows very much about British agriculture. With a substantial wage increase imposed upon farmers, with oil and fertilisers two of the main costs, and with machinery, machinery repairs and interest charges all substantial components of costs. I myself find it difficult to forecast what would happen with a total price freeze. No one in their senses proposes a price freeze in industry, and I do not see that the two situations are vastly different.

Could you ask Margaret van Hattem to write an article describing the effects on British farmers and on the British balance of payments of the price freeze she so strongly recommends.

Neil D. Campbell.
Yorks Hill Farm,
Ide Hill,
Sevenoaks, Kent.

When the light fails

From the Defence Marketing Manager, Barr and Stroud

Sir,—David Fishlock in his article on Infra-Red (May 30) has covered a wide field manfully, on the Ministry of Defence activities. Inevitably minor errors of a factual nature are liable to creep into such a complex subject. May I have the courtesy of your columns to set aright one or two which have distinct significance for those involved:

1 Barr and Stroud, in developing their thermal imaging equipment for the Navy, worked in collaboration with the Admiralty Surface Weapons Establishment (ASWE).

2 The article, in referring to the Ministry of Defence Common Modules Programme, gives the mistaken impression that these modules are incorporated in the night and all-weather sight to be used for the Swingfire anti-tank guided weapons and for the Milan anti-tank guided weapon. In fact, the first sensors to go into service from the first production contract in the United Kingdom, will be for Swingfire. These will be manufactured by Barr and Stroud and will not have any parts in the system from the Common Module programme. Similarly, the UK's Franco-German partners in the Milan programme will refute the suggestion that the Milan anti-tank guided weapon sight is assembled from Common Module components.

J. M. Ballantine.
Barr and Stroud,
Caxton Street,
Anniesland, Glasgow.

Sterling strength

From Mr. John R. Peacock

Sir,—Perhaps the unwelcome aspects of the upward pressure on sterling as a petrocurrency could be ameliorated were we to lend our surplus oil for repayment later in kind, rather than to sell it. By this means we could continue to help our trading allies, we would stabilise the pound and benefit exports, and we would safeguard our energy supplies well beyond their present estimated transient life. It might even put a bit of a brake on rising oil prices.

John R. Peacock,
The Walnuts,
Paxford,
Chipping Campden, Glos.

Planning decisions

From Mr. Adrian Gray

Sir,—Mr. Darlaston (May 31) raises a key issue in pointing out the way in which existing planning authorities are allowed to make subjective decisions about the use of particular sites and properties to the general detriment of the location itself and, perhaps more importantly, to the localised economy.

The double waste of unused productive potential in terms of capital assets, alongside unemployed human skills is a severe dereliction of duty on the part of the council especially when there is evidently commercial interest in bringing both resources together in a business enterprise.

One is not without sympathy for the predicament in which the owner is caught. Nevertheless, it does appear to be his own choice to hold on to the depreciating asset, rates and all, rather than sell up at whatever price the market may currently set in the circumstances. Moreover, it is clearly true that it would not increase the likelihood of a business being re-started on that site simply by cutting or removing the rates charge.

If it really is the Government's intention to create conditions wherein new businesses may flourish it would be as well for Her Majesty's Ministers to embark swiftly upon a radical reform of the planning laws so that the bias of decision as to the use of a particular site rested securely with the entrepreneur, notwithstanding a council's duty to ensure that any development is in harmony with the existing surroundings in terms of physical size and design and that it is not a pollution hazard.

When "preserving amenities" means maintaining unemployment of productive resources, Government "priorities" have obviously become muddled.

Adrian Gray.
31, Russell Road,
Wimbledon, SW19.

Small businesses

From Mr. L. F. Daffey

Sir,—May I refer to the somewhat pontifical supplement appearing with your paper on June 4, extolling the virtues of small businesses, to point out that this is more than 20 years too late.

Successive governments, regardless of political persuasions, have wilfully destroyed this type of company, which is essential to the healthy life blood of industrial nations. I can recall seeing no adverse comment by your newspaper.

"It is not simply a question of reversing an attitude at a particular moment in time, because this will only create structures built on the point, rather than the base of a triangle, causing even more failures.

Small companies must, to a large extent, be entrepreneurial and such people do not always go hand in hand with good housekeeping and budgetary management. Where are they to turn for assistance, certainly not the city money lenders.

Even today there are many thriving small businesses of long standing, who have survived on the prowess of flexible management, in spite of the country-wide attitude that big is beautiful, which it most definitely is not.

One final comment is that small businesses survive because they carve out a section of the market requiring craft qualifications and special attitudes to the volume of work and rewards. If good results are observed the area of activity is too often invaded and usually destroyed by the get rich quick wide boys.

L. F. Daffey.
Setonfield, Whistley Green,
Hurst, Reading, Berks.

Cheap air fares

From Mr. Sandro Siclari

Sir,—It is certainly true that air fares are more expensive in Europe than in the U.S. (The fight for cheaper air fares, May 27) but there are a few airlines who market their "not endorsable" tickets at considerably lower prices.

Four weeks ago I purchased a regular return ticket Rome/London for L180,000 (£93) and last year I paid L150,000 (£85 at the rate of exchange of the time) for a similar flight.

I understand that the airline involved will probably deny such circumstances, as they are IATA members, but these fares are still available everywhere to everybody: including businessmen.

Sandro A. Siclari.
651 Via Cassia, 00 189 Rome.

An assessment by **Brian Ager** of the AA's 75 years on the road and its changing role

Still keeping an eye on the police

THE AUTOMOBILE Association has travelled a long way since it was formed 75 years ago, but in recent years many members have asked whether it is heading in the right direction.

It was founded in 1905 to protect and advance "the legitimate interests of motorists and in particular to assist in the enforcement of the laws affecting all users of the highway."

The police were not amused when they discovered that the association's idea of law enforcement was to warn motorists to slow down to the 20 mph speed limit when there was a speed trap ahead. This was the main task of the bicycle mounted AA scout who took to the Brighton road the year the association was formed and was soon joined by other patrol men.

But since those heady days, when "automobilists" joined the AA for two guineas a year for the defence of their rights against repressive authority, the association has grown into a big business. This has disturbed some AA members who say that the world's largest motoring association has become over-commercialised.

Not that the AA's entry into commerce is a recent phenomenon—in 1920 it opened Britain's first roadside filling station at Aldermaston. However, this, and the other AA filling stations which followed, were part of a campaign to encourage the use of home-produced duty-free benzole as motor fuel instead of the over-priced imported petrol. The price of petrol in 1919 was 4s (20p) a gallon, which was more than double its pre-1914 price.

The idea of filling stations was quickly copied by retail companies and the petrol pump became part of our way of life. Previously motor fuel had been sold in drums. The AA stopped selling fuel in the 1930s, by which time it had found out that selling cheap benzole from roadside pumps had done nothing to bring down the price of petrol.

The development of the AA and its business interests since this early commercial venture is charted in a book published by the association. Book publishing, insurance, holidays and mail order are included in the AA's commercial activities.

In 1972, 12 per cent of members, asked to answer an AA questionnaire, said they thought the AA was becoming over-commercialised. A 1976 survey by the AA market research unit also showed the members' priorities clearly. They were asked to rate the three most important services provided by the association and 98 per cent put the breakdown service first. Legal defence was rated second and the "get-you-home" relay service third. The commercial undertakings were well down the list.

No apologies are offered by the AA for the changes. It says the commercial side is self-supporting and subsidises members' subscriptions by about 35p a member each year. In 1976 the then director general, Sir Alec Durie, offered a spirited justification of the AA's diversification. It is worth quoting, for it summarises the association's views.

Sir Alec said: "We did not indulge in the commercial services purely to raise money. We would not have moved into these areas without a firm indication that members liked that sort of thing and wanted it.

"We devised products which the customer/member wanted and we were able to price in such a way that we had greater flexibility in pitching our revenue than we had through the stagnant source of annual subscriptions. We could change levels to meet market requirements and we received money more quickly.

"Unlike a manufacturer who has to wait for his money, ours is a cash-flow-intensive business, and we do not normally need to borrow money to fund our operation at crippling interest rates."

Commercial activities brought substantial profits, he said, but that was not their main purpose. They met a demand and he made no apology for charting a course which would steer the AA out of the restricted area of a club for motorists into the larger field of a trading organisation for travellers by motor car and other means.

Many members want the AA to concentrate on breakdowns exclusively

However, he concluded that the AA must not lose the members club ambience which "stems from an affinity of interest and enjoying the personal attention, exclusive to the elect, of club servants—in our case the inestimable AA Man who for so long has been, and is still, the symbol of all that is best about the Automobile Association."

No one since has better described how the AA hierarchy sees the association — but many ordinary members see it somewhat differently.

As they fume by their broken-down car waiting for the arrival of the "inestimable AA Man" they reflect on all the services the AA has offered in the past year and its failure to come up with the one thing they really joined for — the free breakdown service. If the AA concentrated on this main service to the exclusion of all other activities, they believe, it might be improved.

This may or may not be a fair judgment, but it is what a lot of AA members think, and even the AA's own figures indicate there must be many disappointed with its service.

The AA patrol force was called on to deal with a breakdown every two minutes of the day and night throughout last year. This total excludes more than 250,000 jobs passed on to the garage trade. The AA's history says: "Normally 80 per cent of the broken down cars would be restored to life within an hour of their SOS to the local headquarters."

So far so good — but that means that 20 per cent had to wait for longer than an hour. And this is only on "normal" days. There are about 50 or 60 "abnormal" days a year when the breakdown peak turns the one-hour wait into two hours. As a result, "weary members were hard put to it not to vent their spleen on the overworked AA Man who was doing his best."

This means, using the AA's own figures, that on an average of more than one day a week the majority of members who break down will have to wait for something like two hours for the AA to get them back on the road.

It is easy for the irate AA member waiting by his lifeless car to grumble that this is not good enough but it is only by a great deal of effort and expenditure that the AA has kept the service as good as it is.

Frequent updating of the AA's membership profile has shown a shift into the lower socio-economic groups with lower spending power. From the AA's point of view this means a large number of older, often poorly maintained cars breaking down so frequently that they put a strain on the service. In 1977 members were calling on the breakdown service an average of once every two years—it used to be once every five.

To meet this need the AA has increased the number of its patrols — 400 extra were recruited in 1977 alone—and increased investment in equipment. The number of AA uniformed staff is now 3,250 and last year they provided free breakdown assistance on 2.53m occasions.

But the extra patrols had to get through the same traffic congestion that faces other motorists—and to combat such delays some patrols were given solo motorcycles instead of vans.

Even when the AA man has battled his way through the jams there can still be problems. It is impossible for a van — let alone a motorcycle — to carry all the parts that may be needed for the wide variety of cars on the road. To reduce the further wait while the patrol searches for spares, larger vans stocked with parts have been put into service in various cities.

The cost of AA membership is £15 a year, which compares well with the original two guineas, and in addition members can pay £11 a year for the Relay Service. This will take a broken down vehicle plus the driver and up to four passengers anywhere on the mainland of England, Scotland and Wales, although this process can take a long time — depending on the availability of car-carriers at the various staging posts.

Membership and relay subscriptions accounted for £63.68m of the AA's total income of £92.05m for 1979. This compares with £53.83m out of a total of £77.07m in 1978.

The difference is made up by income from the other services offered by the AA. Travel accounted for £7.18m last year (£5.99m in 1978).

The advent of the radar "gun" to check speeds is criticised

Sales of books and merchandise came to £8.91m (£8.38m). Books range from Drive and Trail magazines, maps and guides, to more ambitious publications such as Around Britain's Seaside. A wide variety of goods is offered in the mail order catalogue sent out by the AA twice each year.

The other main contributor to the finances is insurance brokerage, with income of £7.15m (£4.99m). Insurance now goes far beyond motoring cover and includes household and life insurance.

These commercial services make up a small, but increasing part of the AA's total income. Most of it still comes from the subscriptions paid by the 5.3m members.

Expenditure increased by much more than total income last year and the result was an operating surplus of £213,000 compared with £1.90m the previous year.

With the membership at an all-time high and the commercial trading activities accounting for about £4m more income than in 1978, the AA may well be self-satisfied. There were signs of this at the annual meeting in May.

One activity which members over the years have come to expect from the association is some campaigning on behalf of the motoring public, though the style has changed a little. Faced with recent petrol price rises, the AA did not open up cut-price filling stations—instead it launched a nation-wide fuel conservation campaign.

There is also a continuing demand for better roads. Lord Erroll had strong words to say on the subject. "Our road network still remains inadequate despite the fact that almost every major economic examination has highlighted the need for an updated road structure to aid Britain's manufacturers and exporters."

The AA has also made it quite clear that it believes that motorists should be compelled by law to wear seatbelts. In spite of such legislation foundering in Parliament, this remains a major plank of its policy.

As in 1905 the AA is keeping an eye on the methods the police use to catch motorists and motorcyclists who break the speed limit. The advent of the radar "gun" to check speeds brought out a pointed comment from Mr. Olaf Lambert, the AA Director General. He said: "We believe that the public has a right to expect that these detection devices of advanced design should not be used for prosecution purposes unless approved by the Home Office and used in circumstances also approved."

Even so, the old antagonism between police and AA is dead. It is unthinkable that the AA should ever produce a menu like the one for its first annual dinner held in 1906. The menu started with "Hors d'oeuvres varies as the tales of sorry police witnesses" and finished with "Cafe noir—black as the sin of false testimony."

The AA—A history of the Automobile Association, 1905-1980. Published by the AA, £14.50 plus 95p postage and packing.

SOME MILESTONES

1905 AA formed. First patrols on London—Brighton road.
1920 Membership 100,000. Filling station opened.
1936 Membership 600,000. Legal defence scheme extended.
1950 Membership 1m. London pilot service begins*.
1960 Membership 2.5m. Road Injuries Research sponsored.
1969 Membership 4m. Continental breakdown centre opened.

* Drivers were provided to take members who were unfamiliar with London through the traffic.

Weekend Brief

Sir Freddie Laker's counterpart in North America seeks a British image ... Iran's threatened mini horses ... and a macabre yachting coincidence

Sir Freddie's friendly air rival

Consumer reaction to the news that World Airways has inaugurated its daily transatlantic air service between Gatwick and Boston, was fairly standard throughout the UK: World who?

Although it has been operating charter services to Britain for the past 12 years, the airline's public profile is so low it is almost horizontal. Elsewhere in the air business World's head man, Ed Daly, ranks close to Sir Freddie Laker as a flier's folk hero.

"We know that we have no consumer awareness at all in this country—unlike the U.S. where we have a very strong image as the little guy's friend in the battle against inflation. But we don't see this as a problem—the product is so strong it will sell itself," said World Airways vice-president for Europe, Tom Hughes, on board a Boston-bound DC-10 this week. Nonetheless, World has taken the precaution of signing up one of Britain's fastest rising public relations stars, Biss-Lancaster, to help the image along.

The product, claims Hughes, is the cheapest bookable no-strings-attached fare across the Atlantic: £112 each way low season rising to £135 high season. "This market is totally price-conscious. We are convinced that what UK consumers want is the lowest possible cost plus an acceptable degree of comfort."

A £500,000 television advertising campaign, emphasising the cost rather than the carrier, will punch home the message in the South East and Birmingham areas. Radio advertising has been underway for three weeks now and according to Hughes is proving extraordinarily effective. "We ran our first ad at 1 p.m. and by 2.30 p.m. we were already taking phoned bookings. We did £10,000 worth of business on the first day."

Hughes is confident that World will give Laker some tough competition with its thrice weekly New York runs. World Airways flights alternate between New York and Baltimore/Washington, as final destinations with Boston as a stopover on both routes.

To underline the fact that they are in the same market as Laker, World Airways mentions Sir Freddie in its current press advertising campaign.

"We are telling the British public in our ads that Sir Freddie now has an ally in his battle against high air fares. We asked Sir Freddie if we could refer to him in our ads, and he said he was delighted—we could use him as long as we liked. He knows that our chairman Ed Daly is doing in the U.S. what he is doing here in the UK—in fact Daly has been doing it for much longer. He started fighting the Civil Aeronautics Board for the right to charge cheaper fares between New York and California way back in 1967.

"Ed Daly is to the American flying public what Laker is to the British, only more so. His advertising in the U.S. features a cartoon of David and Goliath—symbolising his battle against the giants of U.S. aviation—with the slogan 'For People who Hate to Waste Money.'"

Sir Freddie Laker and Ed Daly: cost cutting not throat cutting

Remember the Caspians

Less than 20 years after being rediscovered a breed of horses is facing danger again, caught up in the twists and turns of the Iranian revolution. A dwindling herd of Caspian ponies—truly miniature horses which were probably the forebears of the Arab stallion—is all that remains of what was once an ambitious plan to develop and carry out research on the breed.

At one time, as remains at the ancient site of Persepolis prove, the Caspian ponies pulled the chariots of the kings of ancient Persia on lion hunts. Archeologists thought that either the breed had died out or the engravers deliberately drew the images out of perspective, until in the 60's the ponies were rediscovered in the hills running along the Caspian Sea in the north of Iran.

Their importance was immediately recognised and efforts were made to breed them. Even then it was a difficult time. The then Shah had just declared emerging oil-rich Iran as "mechanised," so patronage for the horse was hard to come by. Then, when their international curiosity value grew, breeding was nationalised and finally export banned. Since the revolution ownership has been in the hands of the Iranian Horse Society, a self-conscious body trying to forget it was once called the Royal Horse Society in a country where horses themselves appear an increasingly "counter-revolutionary fad."

The result is now that apart from residual numbers still working for the nomadic herdsmen in the Caspian hills, the only stock left in Iran are about 20 horses kept in paddocks at a race course at Gonbad-e-Kavus, a town to the east of the Caspian Sea and about an hour's drive short of the Soviet border. That makes it an uncertain part of the world at best, more so because of tension within the town itself between local Turkomans and Persian Iranians which has led to two bloody bouts of fighting in the last year alone.

The stock, which was successfully exported previously to the West—there are about 60 head in Britain alone—is now desperately in need of new injections of foundation stock from Iran. Because of administrative confusion in Iran and of, arguably, more pressing concerns, neither controlled breeding domestically or export seems likely. But that is a pity, for, in the highly nationalistic mood of the moment, the Caspian pony is one of the few items other than oil or carpets which could be considered completely Iranian.

Single over the ocean

On March 30 this year, a research vessel trawled up the broken piece of a boat's hull from the bottom of the sea some 40 miles off the coast of Iceland.

On Monday of this week, it was confirmed that the aerial numbers of the navigational instruments still screwed to the bulkhead were those of Three Cheers, the fast yellow trimaran in which Mike McMullen set off on the last Observer single-handed Transatlantic race (Ostar) three days after his wife had been electrocuted while working on the boat.

Four years almost to the day since McMullen was last seen alive, the sea had yielded up some of the answers to what happened to him.

The irony of the timing of this news was lost on none of the more than 90 competitors gathered in Plymouth for this year's Observer-sponsored classic. This is a race part of whose attraction, both to competitors and to the general public, is the danger inherent in setting out alone to cross 3,000 miles of one of the world's great oceans.

Until this year, the Ostar was the race almost without rules. This year there is a limit on both the size of boat (56 ft) and the number of entries (the intention was to keep it under 100; at the latest count there were 90 official and three unofficial starters).

But it is still a race in which anybody from any country can dream up a boat of almost any shape, and try to bring enough money and time together to get it to Plymouth. This year, 22 Americans, 20 Britons and 15 French make up over half of a fleet that includes three women and a total of 18 nationalities. Seventy of the boats are single-hulled and 20 are multi-hulled (as are the three unofficial entries).

Plymouth's Millbay Dock has been full this week of that extraordinary mixture of people and boats that is drawn to the race. There are the heavily sponsored French, arriving with boats called Paul Ricard, Gauloises and Kriter, all with five or six figure backing. There is a large group of Americans that includes a retired newspaper publisher in his mid-60s who has no need of sponsorship; a 37-year-old woman yachting journalist with a mattress maker for a sponsor and a boatname — Serta Perfect-sleeper, which has spawned some of the worst jokes of the weeks; and a number of that breed of hungry-looking sunbleached young men who somehow eke out a living on the fringe of the boat building industry.

The race itself faces the yachtsmen with the traditional challenges of an ocean race, and then a bit more. Should they go north, along the shortest, great circle route where the winds are stronger, the weather is bitterly cold, there is a near certainty of days spent in thick fog, and an ever-present danger of icebergs?

Or should they keep further south, where the distance is longer, but where the dangers are less, and there is less chance of being slowed down by bad weather?

This is a race where you are racing against yourself. Within two weeks, the flet will be spread out over some 350,000 sq miles.

In the 1976 race, in which this writer competed, I never saw another yacht from the time I left the Scillies to my arrival in Newport, Rhode Island. So stamina, the ability to just keep driving yourself towards what often seems a depressingly remote and unreal objective, is one of the many factors that win this race.

This year, however, a new toy has been introduced, which will both help the general public to follow it, and will enable competitors for the first time to know how their rivals are doing. Every boat is carrying a transmitter, which automatically sends signals up to an Argos system satellite as it orbits the earth. This data will be sent back to the Observer via a chain of computers where a printout will give the location of every boat in the race (and incidentally, of any boat that has radioed for help).

Contributors:
Robyn Wilson
Simon Henderson
David Palmer

Economic Diary

TODAY—European Central Bankers meet in Basle for annual meeting.

TOMORROW—Association of Scientific, Technical and Managerial Staffs annual conference opens, Brighton.

MONDAY—Mr. Roy Jenkins, President of the European Commission, is guest speaker at Parliamentary Press Gallery luncheon, House of Commons. Lord Carrington, Foreign Secretary, inaugurates Commonwealth Press Union annual conference, Marlborough House, London. EEC Finance Ministers meet, Luxembourg. Mr. Joe Gormley, president, National Union of Mineworkers, meets Sir Derek Ezra, chairman, National Coal Board, to discuss threatened pit closures. Wholesale price index (May provisional). OPEC oil ministers meet, Algiers. National and Local Government Officers' Association annual conference opens, Eastbourne. Hire purchase and other instalment business (April). Housing starts and completions (April). Retail sales (April final).

TUESDAY—Lord Soames, Lord President of the Council, at Foreign Press Association luncheon, Waldorf Hotel, London. Mr. Michael Heseltine, Secretary for the Environment, speaks at London Chamber of Commerce and Industry luncheon, City of London Guildhall. UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-May). London clearing banks' monthly statement (mid-May). Central Government transactions (including borrowing requirement) (May). Associated Society of Locomotive Engineers and Firemen annual conference, Hallam Tower Hotel, Sheffield. Mr. John Moore, Parliamentary Under Secretary for Energy, attends lunch with Cement and Concrete Association.

WEDNESDAY—Mrs. Margaret Thatcher attends Press Association annual luncheon, Savoy Hotel, London. Trades Union Congress economic committee meets. Construction output (first quarter). Duke of Edinburgh addresses Institute of Housing Conference, Harrogate.

THURSDAY—Common Market Heads of Government two-day meeting opens, Isola San Giorgio, Venice. Mr. Enoch Powell, MP, is guest speaker at Foyles Literary luncheon, Dorchester Hotel, London.

FRIDAY—Retail Prices Index and Tax and Prices Index (May). Usable steel production (May).

UK COMPANY NEWS

Return to growth path at Fobel

AS FORECAST in the interim report, pre-tax profits of Fobel International (formerly S. Lehoff), manufacturer, distributor and retailer of DIY products, electrical appliances, radios and electronic equipment have passed £1m for 1979.

The year's figure of £1.04m marks a return to more normal trading and compares with the previous year's depressed £568,000 and with £1.02m in 1977. Sales reached £22.41m (£17.85m).

Profits in the first half improved from £20,314 to £384,634.

The final dividend is raised from 1.155p to 1.2p for a total of 2.14p (2p).

The chairman says the current year started moderately well and falls in interest rates in Hong Kong and Canada should help in the second half. The group should not be hit too badly by the recession.

One effect of the recession, he says, has been that orders placed with the electronics subsidiary are for delivery later than last year, so business should be heavily concentrated in the last few months. Current trading is generally not all that could be hoped for, but progress is continuing and a reasonable result for the year is expected.

£0.83m loss for J. Beales but reshape taking effect

SECOND-HALF losses of £272,000, against profits of £122,000, meant John Beales Associated Companies finished the year to March 19, 1980, with a pre-tax deficit of £832,000, compared with a surplus of £601,000.

The directors are not recommending a final, having already passed the interim. Last year's total was 3.2196p, with a 1.8196p final.

Mid-way there were losses of £560,000 (£479,000 profit) and the directors did not expect a return to profits in the second half.

Mr. G. H. Bignall, chairman, says the results were substantially in line with those expected by the directors when they announced the reorganisation in January. The actions taken have been drastic but necessary, he adds, and the benefits are beginning to show.

Sales of the group, which makes Marathon underwear and outerwear, fell from £18.86m to £16.59m. Interest charges jumped to £363,371 (£152,465).

There was a tax credit of £414,000, against a £364,140 charge, and extraordinary costs of £384,000 this time comprised closing down costs and redundancy payments.

Losses per 20p share are shown as 1P.8p (6.2p earnings) basic, and as 9.7p (6p earnings) fully diluted. Net assets per share amounted to 108p at the year-end, after adjusting revaluation reserves to take account of anticipated property realisations.

The reorganisation programme is substantially completed, the chairman says. All production has ceased at the Launceston, Harvester and Peverll Street factories and work has been transferred to other units. Part of the headquarters staff has moved to Boulevard Works, and the warehousing and remaining staff transfer is scheduled for this year.

The planned reduction of the knitting operation at Wilton Road is complete. The Full Fashioned plant has been sold and the future use of the Loughborough factories has been reassessed, while Trinity Street has been taken off the market.

The company's business is now concentrated on two divisions—the making of cut and sewn garments and half hose.

● comment

More worrying than the continuing trading losses at John Beales is the shape of last year's balance sheet. Closure costs and a £1m deferred tax write-back have helped almost to halve the group's revenue reserves, while the more than doubled interest charge suggests an alarming acceleration in borrowings. Beales is keeping quiet on the current level of gearing but the market is clearly anxious. Around 55p has been wiped off the net asset value per share but even so the book worth is six times the share price of 18p. Second half trading losses were pared back slightly since a seasonal increase in activity helped to cover fixed costs but, even on the slimmed down operation, there is little immediate prospect of a return to profitability.

Rowton Hotels improves

PROFITS BEFORE tax of the Rowton Hotels group improved from £1.16m to £1.42m in 1979 and the directors are recommending a final dividend of 5.85p to lift the total from 6.9353294p to 9p per 25p share.

Profit includes non-trading profits of £325,009 against £85,013 and other income of £194,711 (£110,046). Turnover increased from £4.64m to £5.32m.

Tax takes £559,316 against £490,485 giving earnings per share of 22.73p compared with 17.77p.

Hostels in London made higher profits and there was a small contribution from Parkview House in Birmingham. However, 1980 could be a more difficult year, the directors say. There are indications of a further decline in overseas visitors to London, particularly from the Continent where rising unemployment is a major contributor to the downward trend.

The group is well staffed, in a strong financial position and expects to continue to maintain a high level of occupancy.

SMITH & NEPHEW

Smith and Nephew says that during the month of May 1980, applications were received for conversion of £1,763,801 of the company's 8 per cent convertible stock. The Board do not intend to exercise their right to compulsorily convert the remaining stock during July 1980.

Arrow Chemicals off target

COMPARED WITH last July's forecast of some £600,000 for the period to December 31, 1979, the enlarged Arrow Chemicals Holdings group reports a profit before tax of £426,000. The dividend payment is an expected 1p per share.

The directors blame the shortfall on sales that did not maintain the rate of growth achieved in the early part of 1979. This was due to the lower level of industrial activity which included the effects of the engineering strike.

Interest costs were over forecast levels due to higher interest rates and additional capital expenditure, the directors add.

● comment

A missed forecast is nothing to be proud of and Arrow Chemicals missed its projected £600,000 by almost 30 per cent, turning in a pre-tax figure some £174,000 too low. Arrow is the offspring of a reverse takeover by tiny Reabrook Investment Trust last June. But its cleaning and maintenance chemicals business has not been very successful of late. The engineering strike caused second half sales to drop as customers needed fewer chemicals for maintenance. Interest charges rose to £193,000 and an October seminar held to launch new products cost way above budget and ate into company profits. Demand is now flat according to the company and figures for the current interim period are expected to be "not good." A 37-week earnings per share figure of 1.76p points to an annualised p/e of 21.8 at 55p, down 7p yesterday. This rating looks far too high. The dividend yield is not an exciting one.

WM. PRESS

Wm. Press and Son has purchased for redemption £1.09m nominal of its 8 per cent unsecured loan stock 1991-96. The amount outstanding is £904,500.

Cullen's Stores over £0.5m

PRE-TAX PROFITS of Cullen's Stores, grocer, wine, spirit and beer merchant, soared from £269,107 to £577,832 in the year to February 29, 1980. The figure includes capital profits up from £65,044 to £219,158. In the first half, the company's pre-tax profits had advanced from £70,477 to £143,615.

The gross final dividend is raised from 4.28571p to 5.14p, making the total 7.142p (6.34286p).

Francis Shaw reorganisation

PLANS TO reduce the size and scale of Francis Shaw and Co's. operations during 1980 will involve considerable expenditure and it is not expected that the group will make anything other than a nominal profit this year, Mr. L. J. Tolley, chairman, tells shareholders.

However, by the end of the year, directors aim to have improved the financial position and confidently expect to return to more normal profits in 1981.

This is provided that there has been by then a start in the expected longer term resurgence in business activity from the rubber and plastic processing industries, the chairman says.

Plans this year for the group, a machinery manufacturer, are to eliminate those products with low profit margins and doubtful futures. This will enable the group to sell some buildings and machine tools and to reduce stock investment, thus reducing borrowings and increasing efficiency.

The board will be concentrating sales and development efforts on those products which produce the best margins and reducing personnel and other overheads associated with less profitable lines, says Mr. Tolley.

In the short term, the aim is to recover from the losses of 1979. In the longer term, expenditure on product development which is continuing, will help to build a more stable future. "Our products are technically advanced and we believe we serve two long term growth industries," the chairman states.

The rigorous contraction programme has already started and it is planned to complete the physical movement of machinery during the last quarter of the current year.

This will enable the group to keep delivery promises to existing customers before the reduced level of working is established, the chairman adds.

In 1979, the group incurred a pre-tax loss of £393,684 compared with profits of £221,694 previously, due mainly to the effects of the engineering strike and high interest rates.

The National Enterprise Board holds 1.4m of the preferred ordinary shares convertible at the option of the NEB into ordinary shares. If converted, the shares would represent 29.8 per cent of the ordinary capital.

Meeting, Manchester, June 18, at noon.

Results due next week

The brewery reporting season continues apace next week with Allied, Grand Metropolitan and Guinness all producing figures. Allied, which reports preliminary results on Tuesday, is expected to show published profits of around £105m though analysts are quoting a wide range because of the unpredictable nature of the group's exceptional items.

Last year's profits before tax were £112.3m but this figure included an unusually high level of property and other gains, so the underlying trading profit should be slightly higher. There will have been some recovery from the strike at Warrington early last year, though higher volume will have been at the expense of margins. Lyons should show a modest improvement despite highly competitive conditions and beer volume overall will be up slightly.

Allied's very high gearing will remain a major drag on profits and the interest charge could total around £50m. The company had to finance uncomfortable wine and spirit stocks over the Christmas period, which will have added an unforeseen interest burden.

With the year's dividend already set at 5p, interest will focus on the current trading statement. Allied is expected to take an optimistic view.

Grand Met is reporting interim figures on Tuesday and should produce around £56m or £57m pre-tax after allowing for depreciation on freehold properties. The comparable figure for last year is £50.7m. Sterling will have affected the conversion of overseas profits but this should be offset by higher volume in the foreign wines and spirits operation. As with Allied, the domestic wines and spirits business has been sluggish since December and hotels have also been hit by low occupancy rates.

Grand Met has been spending heavily in the first half but the group still has the benefit of last year's rights issue money so interest charges will be down slightly. A strong contribution from Express Dairies will add a further gloss to the results.

Analysts always approach the Guinness figures with trepidation and it is not surprising to see forecasts for the interim profits on Friday ranging from £19m to £26m. Last year, the company made £23.1m so average estimates are for roughly unchanged profits.

The domestic market share of stout should have levelled out after a progressive erosion over the past few years but there will probably have been little improvement in Nigeria, where profits have been reduced by the strength of sterling.

An additional source of uncertainty this year is the restructuring of the Guinness holding in Harp Lager, which will be treated as an associate.

The steel strike may have cost Metal Box between £10m and £15m and so analysts are not looking for much profits growth when the company releases its preliminary figures next Wednesday. The consensus is that last year's pre-tax profit of £58.2m should be repeated or just marginally beaten. Although overseas activities, particularly in Africa, seem to have performed well, the steel dispute at home lowered capacity utilisation. The group's total net dividend could rise by 10 to 15 per cent over last year, however, suggesting more than 20p against 18.09p.

It has been an occasionally hectic year at Hill Samuel, with the relocation of 300 staff, the withdrawals from German banking and Eurobond trading and, since the March 31 year end, an aborted takeover bid by Merrill Lynch and a top management shuffle. Profits were flat at the interim stage and forecasts indicate they will move only slightly to either side of the £3.7m pre-tax profit made last year when preliminary 1979-80 results are announced on Thursday. Banking has done well but the insurance broking business has been suffering from high costs and soft markets, and may well have produced losses.

Associated British Foods, which reports preliminary year-end results on Monday, is expected to better its interim increase of 17.5 per cent and turn in a pre-tax figure of some £96m, approximately 22 per cent higher than last year's £78.9m. Fine Fare, the group's supermarket chain, and ABF's baking divisions have continued their recovery in the second half, while ABF's South African operations remain strong. Final net dividend is expected to be up in line with profits, or about 3.1p per share, against 2.59p last year.

Analysts are estimating a profit of £57-58m pre-tax for Pilkington, whose preliminary results are due next Friday, and earnings per share of 26.6p fully taxed (after taking out substantial depreciation charges). This would indicate a second half profit of some £49m, suggesting a 27 per cent improvement over the first half's depressed performance. The reasons include fairly strong demand for flat glass at home, the absence of strike costs and the continued progress of overseas subsidiaries, particularly those in South Africa. The company forecast has a second interim dividend of 5.5p net, making a total of 10.5p net for the year.

With analysts expecting Hanson Trust profits to approach £40m this year, Wednesday's interim announcement should see a little over £17m pre-tax. Lindustries is expected to lead the profits advance from last year's £12.5m interim and £31.2m full-year results. The American agriproducts interests which boomed in 1979 are thought to be having a slower year. Outside expectations are for a full-year net dividend total of 8.96p against last year's 7.33p.

Also reporting next week are 600 Group with a preliminary announcement, and interim statements from Northern Foods and Saatchi and Saatchi.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Aero Needles	Tuesday	1.0†	0.843	1.6
Allied Breweries	Tuesday	2.99†	1.8314	2.0
Alpine Soft Drinks	Friday	2.478671	4.958	2.412
Amber Industrial Holdings	Thursday	—	0.6354	1.5**
Andersons' Rubber	Friday	0.6	2.7	1.15
Associated British Foods	Monday	0.8883	2.0117‡	1.1
Brent Walker	Thursday	0.35	1.03217	0.35
British Cinematograph Theatres	Wednesday	—	1.75	—
Brown (N) Investments	Monday	0.825	1.683	0.825
Collyns	Monday	2.2	4.6	2.2
Chloride Group	Thursday	1.5575a	4.6	1.7
Churchbury Estates	Wednesday	1.5715b	4.733	2.5
Continuous Stationery	Wednesday	0.9	1.83	0.9
Crosby Spring Interiors	Thursday	0.23958	0.55	0.24
Finlay (James)	Thursday	1.62163j	2.88098h§	2.75
Geevor Tin Mines	Wednesday	2.68	6.02357¶	2.8
Great Portland Estates	Monday	0.68927c	2.66667	1.0
Highgate & Job Group	Friday	—	—	—
Highgate Optical and Industrial	Tuesday	—	1.801	—
Hill Samuel	Thursday	1.834	3.4358	1.834
International Timber Corporation	Tuesday	3.0	5.0865	3.3
Mansfield Brewery	Thursday	0.84667	1.98667	0.975
Metal Box	Wednesday	7.4952d	10.72	8.47
Ocean Wilsons (Holdings)	Tuesday	1.0	2.5	1.0
Pawson (W. L.) Son	Monday	0.6	1.6914	1.2
Pilkington Brothers	Friday	3.3	4.5†	5.0
Rowlinson Constructions Group	Wednesday	0.18125	0.425	0.18125
600 Group (The)	Wednesday	2.07e	2.834	2.34
Spear (J. W.) and Sons	Tuesday	0.7187g	1.3908	3.0
Staveley Industries	Thursday	4.5	7.5m	4.5
Sumrie Clothes	Tuesday	—	2.5	—
"The Times" Veneer	Thursday	0.22	0.225	0.3
Uko International	Thursday	3.2	6.48	3.2
Valor (The)	Thursday	0.60187	1.4325	0.772
INTERIM DIVIDENDS				
Archimedes Investment Trust	Tuesday	2.0	4.1†	
Elson and Robbins	Tuesday	1.509	3.491	
French (Thomas)	Thursday	1.4	3.1	
Grand Metropolitan	Tuesday	2.5	3.25	
Guinness (Arthur) Son	Friday	1.575	3.325	
Hanson Trust	Wednesday	3.3275	4.0	
Northern Foods	Thursday	1.65	2.85	
Nottingham Brick	Wednesday	1.78	4.24	
Saatchi and Saatchi	Thursday	2.11	2.68	
United Spring and Steel Group	Thursday	0.605	1.345	
Utd States & Gen. Trust Corpn. (The)	Wednesday	4.661	5.61	
INTERIM FIGURES				
Tomkinsons Carpets	Friday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ Second interim and includes special dividend of 0.3114p. ¶ Includes non-recurring dividend of 1.68p. ‖ Second interim and also includes dividend of 3.14p due to the relaxation of dividend controls. § Second interim and also includes third interim of 2.5p. ** 5 Special interim of 1.5p. The following are compensating dividends included to allow for the change in the tax rate: a 0.0575. b 0.0435. c 0.0339 d 0.1252. e 0.346. f 0.0667. g 0.1187. h 0.0326. j 0.00732. m Includes Special dividend of 1.53p.

Terry Kirk

Laporte's chairman Richard Ringwald

Laporte's pricing problems

CHEMICALS manufacturer Laporte Industries is beginning to feel the effects of recession with signs that demand for some products has been hit, although the year started well.

On the other hand, it has become increasingly difficult to pass on rising costs to its customers, chairman Mr. Richard Rigwald told yesterday's annual meeting.

"The high value of our currency means that our export margins are just not good enough. But we must not give up our market share for which we have worked so hard, over so many years," he said.

Last year, group pre-tax profits were nearly £17m against £12m previously, with a strong recovery from the middle of the year.

However, on a current cost basis, Mr. Ringwald stressed that profit before tax would have gone up only to £7.3m from £6.3m.

On the company's newest plant in the U.S. owned by Interox (a partnership between Solvay of Belgium and Laporte), the chairman said it should reach its planned output towards the end of this year.

Triefus down to £1.05m

A FALL of £191,294 to £566,873 in the second half following the £64,061 dip midway left 1979 taxable profits of Triefus and Co., diamond merchant, down from £1.3m to £1.05m.

However, a final dividend of 3p lifts the total to 2.75p net, compared with last year's single payment equivalent to 1.38204p.

Earnings per 25p share are shown lower at 17.56p (22.48p) after tax of £206,309 (£275,019).

Second half fall at British Vending Inds.

A NEAR £0.1m fall to £134,049 in the second half is reported by British Vending Industries. However, taxable profits rose from £403,790 to £420,533 for the 1979 year, bolstered by the £116,703 increase midway.

Full-year turnover improved from £16.59m to £18.24m.

A final dividend of 0.7p lifts the total to 1.4p net—last year a single payment of 0.5737p was made. Stated earnings per 10p share are up from 3.52p to 4.86p after a sharply reduced tax charge of £6,527 (£101,370).

The attributable balance emerged well ahead at £416,852, against £273,094.

Stewart Wrightson

Mr. E. J. Gordon Henry, chairman, told the annual meeting of Stewart Wrightson Holdings, that actions taken over the last three years had trimmed the group to a better shape, the operating companies were functioning well and the group was ready to take advantage of any market improvement.

Substantial progress has been made towards the disposal of the farming tenancies, the chairman said.

The negotiations with the Bergen Shipping Partners, had not yet been concluded due to problems relating to various legal maters still being unresolved. Efforts continued to effect a rearrangement to the advantage of both parties.

Meanwhile, the vessels were in employment and thanks to an improvement in the condition of shipping generally, the current value of the ships was substantially greater than this time last year.

Dobson Park rises to £7.78m in first half

FROM INCREASED sales of £88.69m against £71.02m, pre-tax profits of Dobson Park Industries, mining and specialised engineer, rose from £6.63m to £7.78m in the first half year ended March 29, 1980.

The interim dividend is lifted from 1.65p to 1.8975p, a rise of 15 per cent and the directors intend to recommend a similar percentage increase on the final dividend. The final last year was 2.875p on pre-tax profits of £13.74m.

First half tax charge is £2.8m (£2.57m) giving earnings per share of 7.42p against 6.1p.

The performance of the mining machinery was enhanced by the completion of a backlog of orders resulting from last year's engineering dispute.

Continuing investment overseas is improving the trading position in the main mining countries with orders being countries from the U.S., South Africa and India.

The engineering division has made further progress in its rationalisation but the strength of sterling is still affecting profits, the directors say. Additional production facilities in the Kango division has increased output volumes.

In the current year capital expenditure is proceeding as planned towards the budgeted total of £6.5m. The group's cash position remains strong and under firm control, says the Board.

Orders in mining machinery and Kango are good and give confidence of a continuing good performance. The engineering companies are holding their own and generally orders are sufficient to maintain existing volumes.

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DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anglo-Indonesian	3.33	Aug. 29	3.03	3.33	3.03
Arrow Chemicals	1§	July 22	—	1¶	—
John Beales	Nil	—	1.82	Nil	3.22
Bishop's Stores	2	July 9	1.61	4	2.89
British Vending Inds.	0.7	July 31	0.57	1.4	1.157
Cullen's Stores	5.14†	—	4.29	7.14	6.34
Dobson Park int.	1.89	Aug. 20	1.65	—	4.53
Fobel Intnl.	1.2	—	1.18	2.14	2
Rowton Hotels	5.85	July 16	4.19	9	6.94
Triefus	2.0	Aug. 12	1.38*	2.75	1.38*

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Gross throughout. § As forecast in July, 1979, prospectus. ¶ For period to December 31, 1979.

Anglo-Indonesian exceeds £1m

IMPROVED production and prices for rubber were the main reasons for the growth in Anglo-Indonesian Corporation's 1979 pre-tax profits moving ahead from £943,555 to £1.09m.

After tax lower at £249,767 compared with £304,877 and minorities £144,202 against £102,991, stated earnings per 25p share of this tea and rubber estates concern are up from 12.31p to 15.29p, and the dividend is raised from 3.025p to 3.3275p net.

Colman's the British agricultural engineering subsidiary, had a very good first half, says the Board, but faced difficult trading conditions in the second. It still made a satisfactory improvement for the year.

In Sri Lanka, turnover from Walker Industries increased but suffered from greatly reduced margins. This company has, however, now been sold and Mr. Michael Nightingale, the chairman, says that although sale of Walker's has left the group in a strong position, the outlook for the current year is uncertain with poorer tea and rubber prices, and difficult conditions continuing for agricultural engineering in the UK.

Profit retained for the year is up from £397,302 to £547,163.

Extraordinary debits of £718,000. Midway a loss of £420,000 was turned into a profit of £639,000.

There is again no tax charge and stated earnings per 25p share are 35.7p (loss 17.9p).

The chairman says trading conditions are expected to remain extremely competitive, but he expects the company to continue to trade profitably.

There is also a £2.85m surplus on property revaluation relating to group occupied properties. Principal activities of the group include aggregates, concrete products, plumbing and heating, property developing and building.

	Year 1979 £000	1978 £000
Turnover	23,106	19,750
Trading profit	2,700	2,244
Interest	1,741	1,454
Profit before tax	959	790
Tax	6	71
Net profit	953	719
Extraord. debit	690	346
Prop. revel. surplus	2,852	—
Retained	3,115	373

F. Parker shows progress

FOLLOWING A £42,000 increase to £177,000 at midway, Francis Parker improved further in the second half and pre-tax profits at the end of 1979 amounted to £959,000 against £790,000 previously. Turnover was up from £19.75m to £23.11m.

Mr. R. K. Francis, chairman, says trading performance for the first five months of 1980 has been better than forecast but high interest rates and inflation will have a restraining effect on group results for the year.

The chairman is pleased with the continuing improvement by the trading companies but concerned at the effect on group funds of the high interest rates. In the circumstances, the directors are omitting payment of a dividend for 1979—the last payment was in 1974-75.

Extraordinary debits of £690,000 (£346,000) represent provisions against the possibility of future reductions in the book values of investments in associated companies.

Alex. Duckham continues upturn

A STRONG recovery was made by Alexander Duckham and Co., lubricating oil manufacturer and distributor, in 1979. This wholly-owned British Petroleum subsidiary, reports pre-tax profits of £1.43m against a loss last time

Bishop's Stores pays more

SALES AT Bishop's Stores were up by 11.6 per cent to £143.83m in the year ended March 1, 1980, but intense competition causing overall volumes to remain static as well as cost increases led to an 18.4 per cent downturn in pre-tax profits from £1.41m to £1.2m.

However the directors are lifting the year's total dividend from 2.88955p to 4p per share with a 2p final. Stated earnings per share are 21.55p against 25.77p. Net assets per share amount to 250p (234p).

The contribution to sales by the retail side was £66.41m (£61.96m), cash and carry, £35.59m (£29.76m) and wholesale, £41.83m (£37.18m).

Burmah sees creditable result

Burmah Oil would have to do "conspicuously well" in its mainstream oil businesses this year to improve on 1979's performance, Sir Alistair Down, the chairman, said at the annual meeting in Glasgow yesterday.

"We are satisfied that the group is now sufficiently balanced and resilient to produce a creditable result," he said. The current year would not benefit to the same degree as 1979 from exceptional factors, but Burmah's stake in the Thistle field ensures that the company continued to benefit from the escalating cost of oil.

Burmah shareholders were also told they would have the final say in any out-of-court settlement of the company's law suit against the Bank of England. As part of a Government rescue operation of Burmah in 1975, the Bank took over nearly 21 per cent of British Petroleum stock, held by Burmah, for £179m.

While declining to comment directly on the case, the chairman said: "If there is to be a settlement, it will come back to an extraordinary meeting of stockholders, who will have the final say." A High Court hearing on the case is scheduled for June, 1981.

Mr. Jonathan Stone, honorary treasurer of the Burmah Shareholders Action Group, urged members at the meeting to lobby the Government for a swift out-of-court settlement of the case. He said that some 10,000 letters had been sent to Government officials in the last month.

As reported on April 16, Burmah advanced pre-tax profits by 293 per cent last year to £67.34m (£17.13m), largely aided by a £12.9m exceptional credit which included the Pertamina settlement.

Sir Alistair warned at the meeting that the prospects for the full year were conditioned by world political and economic trends. "The deepening recession in both manufacturing and retail activities, the recent steel strike, severe price competition and the excessive cost of money, all combine to create for our subsidiaries trading conditions of unusual severity," he said.

M. James to alter capital repayment

Maurice James has decided to change its capital repayment resolutions after the failure to gain enough support from the preference shareholders at this week's EGM.

It will now offer the full nominal value of 75p per preference share as repayment for cancellation of the stock, while retaining the original proposal to repay 10p per ordinary share. At present, the ordinary shares have a nominal value of 25p.

At the meeting of the industrial holding group in Coventry on Wednesday, an insufficient number of preference holders voted in favour of the motion that they should receive 35p cash per share in return for the cancellation of their shares, which confer the right to repayment of capital in priority to the ordinary shares.

Scottish National Trust ahead

Pre-tax revenue of the Scottish National Trust Company improved from £1.18m to £1.53m in the half year to March 31, 1980. Tax charged was up from £432,493 to £612,081, leaving £1.21m (£751,271).

Franked revenue was £1.53m (£963,651) with unfranked revenue at £788,806 (£660,247). Dividends absorb £833,946 against £505,824.

Net asset value per 25p share is stated as 201p (217p). As known, the interim dividend is being raised to 1.95p (1.6p) and a final at least maintained at 3.05p has been forecast. A special dividend of 0.6879p has already been paid.

MURRAY MINOR

Revenue of Murray Minor Investment Trust, formerly Glenmurray Investment Trust, increased by 42 per cent from £95,715 to £136,045 for the six months to April 30, 1980, before tax of £59,059, against £41,472.

The directors estimate full-year earnings per 25p share of 2.7p, compared with 2.42p previously. Half-year net asset value per share is shown ahead from 100.8p to 102.4p.

An interim dividend of 0.85p (0.8p) net has already been declared — last year's total was 2.35p, paid from taxable revenue of £246,828.

GENERAL STOCKHOLDERS

Income of General Stockholders Investment Trust was up from £231,214 to £279,962 in the half-year to April 30, 1980. Expenses and interest amounted to £38,411 against £28,846, and there was a tax charge of £88,180 compared with £75,751 last time.

As known, the interim dividend is up from 1p to 1.2p.

Net asset value per 12½p share is shown as 159.8p at April 30, against 151.8p at October 31, taking prior charges at par and as 172.4p (163.8p) taking prior charges at market value.

RESULTS AND ACCOUNTS IN BRIEF

ALBERT FISHER GROUP (fruit and vegetable wholesaler and motor repairing)—Results for half year to February 28, 1980: Turnover £2.11m (£1.95m); pre-tax profits £37,632 (£36,195); tax £19,500 (£18,800).

OCEANA DEVELOPMENT INVESTMENT TRUST—Net revenue for year to March 31, 1980, £7,977 (£4,717) after tax £2,879 (£2,125). Earnings per 25p share 1.51p (0.89p), dividend 1.17p (0.67p) net.

JOHN FOLKES HEFO (engineering and industrial property)—Results for 1979 with prospects, already reported. On C.C.A. basis, pre-tax profit £1.13m, compared with historical £3.88m. A professional valuation of group's industrial properties showed £7m surplus over book value of £7.1m. Chairman says group's banks have agreed to lend to it without security, which reflects its strong asset position and improved liquidity. Shareholders' funds £20.56m (£18.15m). Balances due to bankers (secured) £3.66m (£2.38m); loans £353,000 (£377,000), loan stock nil (£65,000). Meeting, Birmingham, June 26, noon.

MANCHESTER LINERS (transportation)—Results for 1979 reported May 21. Shareholders' funds £8.65m (£11.59m). Bank overdrafts £1.56m (£2.11m), short-term borrowings £1.24m (£1.75m), loans £16.38m (£20.87m). As known, Mr. C. Y. Tung is within 0.8 per cent of total control of company. Meeting, Manchester, June 24, 3.30 pm.

CANADIAN AND FOREIGN INVESTMENT TRUST—Results for year ended March 31, 1980, already reported. Listed investments of market value in UK £7.2m (£8.23m), abroad £2.91m (£3.42m), unlisted £234,000 (£290,000). Total assets attributable to share capital £10.07m (£11.66m). Meeting, The Stock Exchange, EC, June 26, 11.45 am.

CATER RYDER (banking and bill broking)—Results for year ended April 30, 1980, reported May 18. Shareholders' interest £11.13m (£11.11m). Total assets £381.92m (£423.53m). Bills discounted £271.88m (£253.22m). Loans £345.72m (£393.2m). Meeting, 1, King William Street, EC, July 2, 12.30 pm.

DOWNIEBRAE HOLDINGS (steel and metal processing)—Results for 1979 already reported. Shareholders' funds £2.37m (£1.72m). Trade creditors £1.26m (£0.91m). Bank overdrafts £0.34m (£0.41m). Net current assets £1.002m (£1.21m). Meeting, Glasgow, July 1, at noon.

C. & W. WALKER HOLDINGS (heavy metal fabrication engineer)—Results for year to February 2, 1980 reported on May 17 in full preliminary report. Shareholders funds £2.93m (£2.88m); a secured bank overdraft £1.25m (£593,116). Chairman says that when current recession ends, there will be substantial continuing investment for many years to come. Against present background it is impossible to forecast the ultimate outcome for 1980-81. Meeting, Telford, Shropshire, June 26, noon.

BLUE CIRCLE INDUSTRIES (manufacturer of cement and allied products)—Results for 1979 reported on April 23 in full preliminary report. Shareholders' funds £535.3m (£404m). Noncurrent assets £11.6m (£102.7m). Including bank loans and overdrafts £17.8m (£10.2m); bank balances £2.7m (£5.6m). Group fixed assets £311m (£271m). Chairman, looking forward, believes the group can be optimistic. It is soundly based and through the spread of its operations is well placed to benefit from any improvement in world trading. With many new developments in countries of potentially strong growth, group is well equipped to meet the challenges of the 1980s. Historic pre-tax profit of £51.9m (£50.6m) reduced to £43.7m (£48m) on CCA basis. Meeting, Carlton Tower Hotel, Cadogan Place, SW, June 30, noon.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Only a couple of noteworthy developments emerged in the Bids and Deals sector this week: S. and W. Berisford's controversial offer for British Sugar is to be referred to the *Monopolies Commission* and the bid is thus automatically withdrawn until the Commission reports, which could take as long as six months. British Sugar, which strenuously opposed the bid, argued that the takeover would put Berisford, already Britain's biggest sugar merchant, into a too powerful market position, but Berisford said that it would fight as hard as possible to prove that the proposed takeover was not against the public interest.

The other development concerned George Ewer, the motor coach operator and motor distributor, which is fighting off a bid from T. Cowie, the Northern motor dealer. Ewer has been successful in its efforts to acquire Eastern Tractors (Holdings) and is confident the deal will be completed without difficulty, but Cowie has sharply criticised the transaction and has lodged a protest to the Stock Exchange over the acquisition. Cowie is also still seeking *to have it made subject to shareholders' consent.*

The week's only significant deal involved J. H. Fenner, the power transmission group, which agreed to buy U.S. hydraulic equipment manufacturers, Stone Hydraulic Industries, for an initial consideration of $13.24m (£5.6m). The agreement provides for the payment of further amounts linked to a profit formula. Fenner considers Stone to have above average growth potential and regards the acquisition as a natural extension of its power transmission business.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Barget	12*‡	20	18	8.56	Tinnox	—
Bishopsgate Prop.	5*§	5	5	0.36	Bkly. Hmbro.	13/6
Christy Bros.	30*	30	33	0.60	Simon & Coates	—
City & Intl. Tst.	137‡	124	127	18.79	Guthrie	—
Cray Elect.	31*§	35	34	0.93	Thrgmtn. Tst.	—
Doloi Tea	270*	275	275	0.29	Tategold	—
Ewer (George)	52½§§§	51½	51½	6.50	Cowie (T.)	—
Hoffnung (S.)¶¶	88*	87	74½	15.51	Burns Philp	—
Keyser Ullmann	84*	81	70††	43.15	Chrtrhse. Grp.	—
Lidstone	280*	360	290	9.51	Greewalk Nominees	—
L.K. Industrial Invs.¶¶	16½*	20	19	0.20	Caparo Invs.	—
Lond. & Prvncl. Poster	500*§	470	287††	9.12	Reed Intl.	—
Maple¶¶	35½§§	34½	27½	9.84	Waring & Gillow	—
Nationwide Leisure	6*§	6	9	0.66	Rantlodge	—
Status Discount¶¶	55	55	68††	22.00	MFI	—
Steaua Romana	10*	46	7	0.25	Eng. Assoc.	—
Turner (W. & E.)	87½*	85	48††	9.07	J. Hepworth	—
Viking Oil	300*★	£13½	810	—	Deminex	—
Viking Oil	625*★	£13½	910††	—	Sun Co.	—
Viking Oil	450*★	£13½	£10	—	Hunt. Int. Petroleum	—
Wilson Bros.	34½§§	34	21	3.97	Fine Art Develpmts.	16/6

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 6/6/80. †† At suspension. ‡‡ Estimated. ‡§ Shares and cash. ¶¶ Unconditional. ★ Plus royalties.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Brentnall Beard	Mar.	335L	(607)L	—	(—)
BP	Mar.	504,700‖	(270,000)‖	—	(—)
Brooke Tool	Mar.	320	(212)	1.45	(1.21)
Bureo Dean	Mar.	370L	(753)	—	(2.0)
Camford Engnrg.	Mar.	907	(876)	1.63	(1.63)
Carrs Milling	Mar.	560	(475)	1.25	(1.0)
Comet Radiovsn.	Mar.	5,660	(5,539)	1.36	(1.27)
Hickson & Welch	Mar.	4,400	(3,810)	2.5	(2.5)
Lombard N. Cntrl.	Mar.	3,290	(12,500)	—	(—)
McCorquodale	Mar.	2,690	(2,380)	2.64	(2.64)
Marley	Apr.	10,200	(7,900)	2.0	(1.5)
Martin Newsagent	Mar.	2,070	(2,270)	3.8	(3.26)
M.E.P.C.	Mar.	10,390‡	(6,260)‡	1.75	(1.5)
Morgan Crucible	Mar.	3,280¶	(2,970)¶	—	(—)
Pleasurama	Mar.	1,530	(1,165)	2.0	(0.83)
Ward (Thos. W.)	Mar.	7,258	(6,167)	2.41	(2.09)

(Figures in parentheses are for corresponding period.)
*. Dividends shown net except where otherwise stated.
† Previous 18 months. ‡ Pre tax earnings. ¶ First quarter.
‖ Net income for first quarter. L Loss.

Scrip Issues

Century Oils—One for one.
Marley—One for one.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Allied Leather	Dec.	1,840	(1,630)	49.7	(37.4)	5.0	(4.19)
Armitage Shanks	Mar.	6,270	(4,532)	15.7	(9.5)	4.4	(3.47)
Atkins Hosiery	Mar.	510	(709)	7.7	(10.9)	4.65	(4.1)
Bilton (Percy)	Dec.	6,080	(5,830)	12.0	(9.2)	6.9	(6.9)
Brit. & Amer.	Dec.	184	(136)	5.1	(4.1)	2.5	(2.1)
Century Oils	Mar.	3,570	(1,260)	33.5	(11.5)	4.5	(3.01)
Culten Guard	Mar.	337	(787)	3.2	(4.8)	0.5	(1.5)
De La Rue	Mar.	36,540	(26,600)	60.3	(51.3)	19.8	(15.58)
Electronic Rntls.	Mar.	12,220	(14,710)	5.1	(7.5)	4.31	(3.5)
E.M.A.P.	Mar.	3,300	(2,100)	12.0	(8.0)	2.75	(1.74)
Eva Industries	Mar.	1,870	(1,980)	15.3	(12.3)	5.65	(5.36)
Gates (Frank G.)	Dec.	1,550	(1,230)	20.4	(8.9)	2.0	(1.28)
Guthrie Corpn.	Dec.	27,504	(20,897)	38.5	(31.0)	30.0	(21.0)
Hallam Group	Dec.	339L	(865)L	—	(—)	—	(—)
Harrisons Crsfld.	Dec.	58,375	(52,379)	58.2	(53.8)	28.0	(24.03)
Highams	Mar.	1,410	(1,810)	11.1	(14.3)	3.58	(3.43)
Leigh Interests	Mar.	1,100	(665)	10.6	(8.0)	5.0	(4.36)
Locker (Thomas)	Dec.	1,780	(2,230)	2.7	(2.8)	1.06	(0.96)
Marlborough Prp.	Dec.	110	(327)†	0.5	(2.0)†	0.3	(0.28)†
Mountview Ests.	Mar.	1,830	(1,210)	18.5	(11.6)	2.4	(1.5)
Parkland Textiles	Feb.	1,360	(2,570)	13.0	(31.0)	3.7	(3.3)
Pegler Hattersley	Mar.	12,430	(14,210)	42.3	(48.4)	9.5	(8.58)
Plysu	Mar.	2,330	(1,230)	14.5	(10.5)	1.89	(0.95)
Reed Intnl.	Mar.	99,900	(83,400)	66.7	(38.0)	13.0	(8.0)
Scotcros	Mar.	2,120	(1,460)	23.6	(21.2)	5.08	(3.66)
Sketchley	Mar.	5,740	(4,940)	38.4	(28.8)	8.0	(5.49)
Stndrd. Fireworks	Mar.	538	(408)	16.4	(12.2)	6.23	(5.5)
Time Prods.	Jan.	5,510	(4,900)	10.8	(10.2)	2.25	(1.83)
Transparent Ppr.	Mar.	1,020	(1,003)	11.4	(10.9)	5.76	(5.51)
Wigfall (Henry)	Mar.	1,080	(1,850)	20.7	(36.1)	13.5	(13.5)

Offers for sale, placings & introductions

Kennedy Brooks—Placing 122,333 new 10p shares at 60p a share under the stock exchange rule 163 (2)
South West Consolidated Minerals—Offering 5.5m shares at 50p each.

Rights Issues

Land Securities Investment Trust—To raise £108m by way of a rights issue of 41,068,824 new ordinary shares of 50p each at 263p per share.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.280	—	—	5	28	—	—	F.286
ABN C	F.300	12	0.90	—	—	—	—	
AKZ C	F.22.50	7	1.60	49	2.90	—	—	F.23.50
AKZ C	F.25	500	0.50	164	1.30	30	1.60	„
AKZ C	F.27.50	10	0.10	30	0.60	—	—	„
AKZ P	F.22.50	5	0.30	—	—	40	1	„
AKZ P	F.27.50	—	—	2	4.30	—	—	„
EK C	$50	5	4½	—	—	—	—	$53½
EK C	$60	5	1/16	—	—	—	—	„
HEI C	F.55	5	1	14	2.40	14	4.50	F.59.70
HEI P	F.60	15	2.50	—	—	10	5.60	„
HO C	F.20	25	0.80	—	—	—	—	F.16.90
IBM C	$50	30	7½	—	—	—	—	$57¼
IBM C	$55	—	—	5	5	—	—	„
IBM C	$60	20	1½	2	2¾	—	—	„
IBM C	$65	10	½	—	—	—	—	„
KLM C	F.60	—	—	3	9.50	—	—	F.66.30
KLM C	F.70	9	2.30	6	5	—	—	„
KLM C	F.80	5	0.60	15	1.60	—	—	„
KLM P	F.60	45	1.60	—	—	—	—	„
KLM P	F.70	15	5	—	—	—	—	„
NAT C	F.104.50	10	5.70	—	—	—	—	F.109.30
NAT C	F.109.10	42	3	10	5	—	—	„
NN C	F.110	10	2.60	e	4.10	1	6	„
NN C	F.120	—	—	4	1.20	5	2.60	„
PHI C	F.17.50	—	—	30	1.50	—	—	F.18.20
PHI C	F.20	—	—	—	—	10	0.90	„
PHI C	F.22.50	—	—	10	0.20	—	—	„
PHI P	F.17.50	—	—	10	0.60	—	—	„
PRO C	$20	—	—	—	—	3	5¼	$23
RD C	F.145	—	—	1	20.50	—	—	F.164.50
RD C	F.150	50	15	24	17	—	—	„
RD C	F.160	385	7.10	148	8.90	10	10.50	„
RD C	F.170	269	1.90	92	4	—	—	„
RD P	F.140	—	—	10	0.70	—	—	„
RD P	F.145	—	—	5	1.80	—	—	„
RD P	F.150	79	0.80	7	3.50	5	4.50	„
RD P	F.160	580	2.40	11	6.90	—	—	„
RD P	F.170	13	7.50	3	12.50	—	—	„
UNI C	F.105	—	—	3	9.50	—	—	F.111.30
UNI C	F.110	10	3.50	—	—	—	—	„
UNI C	F.115	7	0.70	—	—	—	—	„
UNI C	F.120	1	0.30	—	—	1	3.20	„
		Aug.		Nov.		Feb.		
BA C	$35	e	2½	5	4	—	—	$34⅛
BA C	$40	1	⅝	—	—	—	—	
SIE C	DM280.50	—	—	2	5	—	—	DM284.30
SLB C	$110	3	7½	e	12½	—	—	$115
SLB C	$120	2	2¾	2	6½	—	—	
VEB C	DM150	e	1	—	—	—	—	DM152.30
		June		Sept.		Dec.		

TOTAL VOLUME IN CONTRACTS 2796
C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Amro Bank	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Manson & Co.	18 %
Bank of Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samuel Montagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½%	National Westminster	17 %
Barclays Bank	17 %	Norwich General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japhet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½%
The Cyprus Popular Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs. Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	17 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

House of Fraser urges rejection of Lonrho proposals

BY JOHN MOORE

House of Fraser, the department stores group which owns Harrods, has urged shareholders to vote against Lonrho's resolution for a 6p final dividend and proposals for various board changes *in a circular dispatched* to its shareholders yesterday.

"We are asking your support for your board in repelling Lonrho's demands for creeping control of your company," the board tells shareholders in the circular.

It is urging rejection of Lonrho's proposed four board changes because, according to House of Fraser, "whatever the competence of the Lonrho management may be" for running a conglomerate, "we have no evidence that they have any skills to offer a leading UK department store group."

The House of Fraser board tells shareholders that "we have not seen, nor do we expect to see, House of Fraser deriving any significant benefit from the directors of Lonrho who are already on your board."

It continues: "They and their alternates have demonstrated neither an understanding of, nor a deep interest in, the business of your company. The question of dividend has generated considerably more activity on their part than any other subject which has been discussed by the board since Lord Duncan-Sandys and Mr. Rowland joined it in November 1977. Since that time there have been 31 regular board meetings and while many of these meetings were attended by their alternates, Lord Duncan-Sandys has personally attended only 15 and Mr. Rowland a mere 4."

According to the circular, the board minutes reveal that during this time the Lonrho representatives made little constructive contribution to any House of Fraser board meeting.

"Our disappointment and disillusionment with Lonrho's role since they became a shareholder and the lack of useful contribution to your board's deliberations by Lord Duncan-Sandys and Mr. Rowland are more appropriate for specific consideration on the occasion of their retirement by rotation in due course."

"Regarding their additional nominees, although Lonrho have not given you or us any information about their qualifications for appointment to your board, they are all officers or employees of Lonrho and in the circumstances it must be assumed that they are being appointed to represent and pursue the interests of a minority shareholder, Lonrho."

On the plan to increase the dividend, House of Fraser says that Lonrho claims that the cash position of some £22m shown in the year-end accounts fully supports their view of the reasonableness of a further increased dividend.

"They do not appear even to appreciate that in our business stock levels, and therefore cash levels, vary during the year." At April 26, 1980, the net overdraft was £6m, a swing of £28m. The accounts are prepared in January after the Christmas peak and year-end sales season when the cash position is strongest.

"This cash forms part of our working capital and is always rapidly and fully utilised in the business in subsequent months *which, of course, should have* been evident to Lonrho from the figures discussed monthly by the board."

In London yesterday, Sir Hugh Fraser, chairman, said, "I hope that Lonrho might wish to disengage from their involvement with Fraser. We would help them place their 29.99 per cent holding in the group. The main thing is we want to get on and run the business. The damage is done and irreparable."

SANDHURST MARKETING

Sandhurst Marketing is selling its art shop in Kingston-upon-Thames to NSS Newsagents for £167,500, plus stock at valuation to be satisfied in cash. Total consideration is expected to be about £250,000 which will be used *to reduce borrowings* which will more than compensate for lost profits.

Book value of assets, other than stock, being disposed of is £38,930. Pre-tax profit of the shop in the year to January 31, 1980, was £20,174.

HAMBROS BANK/BISHOPSGATE

Hambros Bank states that its offer on behalf of Berkeley Hambro to acquire all the issued ordinary shares of Bishopsgate not already owned by a subsidiary of Berkeley Hambro has now been accepted by holders of 6.5m ordinary shares representing 90.01 per cent of the ordinary shares for which the offer was made. The offer has therefore become unconditional.

A subsidiary of Berkeley Hambro owned 693,750 ordinary shares of Bishopsgate prior to the offer. Save as mentioned above, no ordinary shares of Bishopsgate were acquired or agreed to be acquired by Berkeley Hambro and its subsidiaries during the offer period. The offer has been extended until further notice.

KOTMALIE VALLEY JAYPLANT

The cash offers on behalf of Mr. N. Langley-Pope and Mr. H. Musaphia, following the *acquisition* by the Kotmalie Valley Estates Company of Ceylon of the whole of Jayplant, have closed with acceptances in respect of 324,000 ordinary shares and 10,370 preference shares.

SPAIN

June 6	Price %	+ or —
Banco Bilbao	210	
Banco Central	238	
Banco Exterior	210	
Banco Hispano	209	
Banco Ind. Cat.	122	
Banco Madrid	141	
Banco Santander	257	
Banco Urquijo	150	
Banco Vizcaya	218	—1
Banco Zaragoza	200	
Dragados	80	
Espanola Zinc	61	
Fecsa	63.2	+0.2
Gal. Preciados	29.5	+1.3
Hidrola	67	—0.2
Iberduero	64.5	—1
Petroleos	107.5	—1.7
Petroliber	64	—1
Sogefisa	107	
Telefonica	56	
Union Elect.	64.5	+0.8

CORAL INDEX: Close 425-430 (+4)

Phoenix Timber buys Hahn from CHI for £1.3m

Phoenix Timber has acquired the capital and properties of Hahn and Co., hardwood importer and distributor, from CHI (UK) for £1.27m.

The price includes £581,068 for the Hahn capital, £495,000 for the properties and £194,932 which will be advanced to Hahn to enable it to repay part of its debt to CHI.

Hahn will also, on completion of the deal, repay the balance of its debt to CHI by bank borrowings of £1m.

The price is based on Hahn's net tangible assets, totalling £581,068, after deferred tax of £199,157 at December 31, 1979. Pre-tax profits of Hahn for 1979 totalled £285,498.

Under the terms of the deal, Phoenix will pay £56,068 of the total purchase price of £1.076m for the Hahn shares and properties. The balance of £1.02m will represent a loan by CHI to Phoenix.

Of this, £360,000 is interest free and repayable in 10 equal annual instalments. The balance of £660,000 carries interest at 9.4 per cent and is repayable over three years.

ALPINE-DOLPHIN

Following the acquisition by Alpine Holdings of Dolphin Showers, further consideration totalling £298,578 has been paid to the vendors of Dolphin.

The consideration which is equal to the profits before tax of Dolphin for the period February 1, 1979, to January 31, 1980, has been satisfied by the payment of £149,289 cash and the allotment of 169,724 new Alpine 5p ordinary shares.

The new shares, for which listing has been granted, do not rank for dividends in respect of the financial year of Alpine ended January 31, 1980, but in all other respects rank pari passu with the existing ordinary.

Further consideration equal to one quarter of the profits before tax of Dolphin for the year ending January 31, 1981, will become payable in due course.

Alpine has the option to satisfy such further consideration either wholly in cash or as to one half cash and one half by the issue of Alpine shares at the then market price.

BLDG. SOCIETIES IN MERGER

South Birmingham Savings Society is seeking approval, at an annual meeting on June 24, for a merger with Heart of England Building Society. If passed it will become operative from September 1.

The provisions of the Banking Act 1979 are such that South Birmingham could not continue to operate in its present form despite its sound financial position, it is stated.

Mr. Herbert Walden, general manager of Heart of England, says the three Birmingham offices are all complementary to Heart's 30 branches.

South Birmingham has assets of £2.1m and some 2,500 investors.

SHARE STAKES

Booth (International Holdings)—Arthur Bartfield Group bought on June 2 210,000 shares making holding 310,000 (7.75 per cent).

Supra Group — Mr. Quinton Hazell has sold 100,000 shares.

Bemrose Corpn.—ITC Pension Trust jointly with ITC Pension Investments, following sale of Imperial Group's interest in Mardon Packaging International to BAT Industries, has reduced its holding by 117,000 shares to 633,000 (5.63 per cent).

Fine Art Developments—Holding of ITC Pension Trust, jointly with ITC Pension Investments, has been reduced to 1,957,817 shares (less than 5 per cent).

Feeder Agricultural Industries G. G. Richmond, director, has sold 45,000 shares.

Rentokil—Suphus Berendsen A/S has acquired 20,000 shares making holding 52,734,200 (55.52 per cent).

Ellis and Everard. D. V. Anstead, director, and his wife have acquired 401,900 shares at 112p making holding 401,900 shares (5.53 per cent).

Rights and Issues Investment Trust. Energy Finance and General Trust Holdings now hold 398,099 capital shares and 170,863 income shares 24.88 per cent and 7.12 per cent respectively.

Nolton. Mr. P. S. Dixon, chairman, now holds 816,119 shares.

Queens Moat House. Mr. D. C. N. Baring, director, acquired 19,765 shares.

Laganvale Estate — Strongmead has acquired, through an investment subsidiary 750,000 *shares (12¼ per cent). Pursuant* to this transaction J. D. Slater by virtue of his connection with Strongmead similarly notifies company in the same holding of 750,000 shares.

Costain Group—Legal and General Assurance Society has an interest in 988,750 deferred ordinary (7.11 per cent).

Stroud, Riley, Drummond—H. M. Ross acquired 318,938 shares (9.3 per cent).

Viking Oil—Merchant Navy Officers' Pension Fund (Old Scheme) Trustees, an associate of Viking bought on June 5, 100,000 Viking Oil shares at £13.52. Holland Hannen and Cubitts (Investment), a wholly-owned subsidiary of Tarmac and an associate of Viking sold 100,000 ordinary at £13.50 on June 5.

United Biscuit (Holdings)—The trustee interest of Sir Hector Laing has been reduced by sale of 1.25m shares. The trustee interest of C. A. Fraser, has been reduced by the sale of 700,000 shares.

Bowater Corporation—Earl of Carrick, director, sold 80,330 Ordinary.

Platignum—A. R. Montgomery, director, has purchased 30,000 Ordinary in his name and 10,000 in his wife's name.

Australian BP offshoot buys Caltex subsidiary

BRITISH PETROLEUM of Australia, part of the BP group, has agreed in principle to buy the Caltex Oil (Australia) subsidiary in Papua New Guinea.

Caltex is jointly owned by Standard Oil of California and Texaco of the U.S.

Caltex has already decided to withdraw from Papua New Guinea, where it holds about 15 per cent of the retail market, because rising world oil prices made the operation uneconomical.

No price was disclosed for the purchase of Caltex's storage depots, coastal terminals and service stations.

Racal-Milgo wins patent lawsuit in U.S.

Racal-Milgo, a subsidiary of Racal Electronics, of Britain, said it was awarded $2.8m in its patent infringement lawsuit against United Business Communications and Rixon Electronics.

Racal said the U.S. Court of Appeals upheld a lower court ruling that three of its data communications patents had been wilfully infringed by United Business and Rixon.

The Court awarded damages for the period from January 1 to September 30, 1972. However, Racal said it expects to recover damages for alleged patent violations after 1972 through pending lawsuits.

STONE PLATT

Stone Platt Industries reports that its pump division, Hayward Tyler, has in the last three months received world-wide orders worth more than £7.5m for pumps and allied equipment.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

1979-80 High	Low	Company	Price	Change	Gross Div (p)	Yield %	P/E
99	59	Airsprung	62	—	6.7	10.8	3.7†
50	28	Armitage and Rhodes	32	—2	3.8	11.9	2.1†
285	185	Bardon Hill	285	+3	13.8	4.8	8.4†
100	78	County Cars 10.7% Pf.	78	—	15.3	19.0	—
101	63	Deborah Ord.	91	—2	6.0	6.5	10.0
125	88	Frank Horsell	117	—	7.9	6.7	7.3
129	92	Frederick Parker	92	—1	12.8	13.9	4.2†
156	102	George Blair	104	—	15.5	15.8	—†
75	45	Jackson Group	75	—	6.0	8.0	2.9†
153	104	James Burrough	104	—	7.2	6.9	9.1
300	242	Robert Jenkins	300	—	31.3	10.4	9.6†
232	175	Torday	223	—	14.3	6.4	5.8†
34	11½	Twinlock Ord.	13½	—	0.8	6.2	2.6†
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
58	23	Unilock Holdings	48	—	2.6	5.4	10.2
50	45	Unilock Holdings New	45	—	—	—	8.8
99	42	Walter Alexander	90	—	4.4	4.8	6.0
210	136	W. S. Yeates	210	—	12.1	5.8	3.4†

† Accounts prepared under provisions of SSAP 15.

Early 5.0 rally on Wall St.

STOCKS MOVED narrowly higher in moderate trading on Wall Street yesterday, following news of a further slowing in Wholesale Price rises in May, which offset carryover selling from late Thursday when profit-taking eroded a broad gain.

By 1 pm the Dow Jones Industrial Average was up 5.04 to 863.74, making a rise of 12.89 on the week, while the NYSE All Common Index, at $64.76, rose 38 cents on the day and $1.32 on the week. Advances led declines by nearly a two-to-one majority. But the trading volume sharply *decreased 8.29m shares to 26.44m* compared with 1 pm Thursday.

The rise in the Wholesale Price Index slowed in May to 0.3 per cent from 0.5 per cent in April and was the smallest since a 0.2 per cent gain in September 1977. Analysts said the news suggested inflation is ebating more rapidly than previously believed.

However, unemployment rose in May to 7.8 per cent from 7 per cent. Analysts said the figure was discouraging and *investors will also be watching* for Consumer Credit figures due this afternoon for clues to consumer spending trends.

Bine-Chips firmed. Eastman Kodak put on $1½ to $55, IBM $¾ to $57¾ and Merck $1½ to $71⅞.

Diamond International fell $11 to $39—it agreed to a bid by Cavenham for 40 per cent of its shares at $42, or $45, each.

Gulf United again topped the active list, adding $⅞ at $20⅞—American Financial has been *buying Gulf's shares.*

Gulf and Western, in second place, rose $½ to $18½—it continues to benefit from news of a new zinc chloride battery for electric vehicles.

Gold shares and some Oils were among the best gainers. Spot Gold Bullion prices rose sharply on the Comex to over $600, and Congress overrode President Carter's veto of a Bill killing the proposed fee on imported oil.

Dome Mines gained $1⅞ to $77⅞, Homestake Mining $1½ to $58½, Campbell Redlake $1½ to $40⅞ and ASA $¾ to $46.

Among Oils, Superior advanced $4 to $157, Cities Service $1⅞ to $105⅞ and *Marathon Oil* $1⅞ to $63⅞.

Standard Oil (Indiana) improved $¾ to $54¾—it reported two major gas wells in the Rocky Mountains this week. Union Pacific, which holds a stake in *both wells, eased $¼ to $43⅞.*

THE AMERICAN SE Market Value Index added 2.35 at 281.89, making a rise of 10.22 on the week.

Oil and Mining stocks firmed. Volume leader Imperial Oil "A" gained $¾ to $34, Gulf Canada $⅞ to $28⅞, AZL Resources $1 to $10⅞, Day Mines $1 to $28⅞ and Giant Yellowknife $¾ to $17⅞.

Closing prices for North America were not available for this edition.

Canada

Markets were mixed in fairly active trading around noon *yesterday when the Toronto* Composite Index edged 0.7 up to 2,019.9, but nine of 14 sub-indices retreated.

The Gold Share Index put on 62.7 to 3,611.0, but Metals and Minerals shed 2.4 to 1,900.6, Oil and Gas 0.4 to 4,454.10, Utilities 0.18 to 256.21, Banks 0.94 to 355.64 and Papers 2.19 to 177.62.

Paris

Steady in a quiet featureless market with most stocks trading within a narrow range.

Constructions and Foods showed the most notable gains whereas Motors and Stores weakened.

L'Air Liquide jumped FFr 11 to 552 following its planned one-for-five rights issue.

All other sectors tended narrowly mixed, with Rhone Poulenc down FFr 3 at 123 after forecasting a slightly more difficult year in 1980 than in 1979.

Thomson CSF gained FFr 4 to 498 on higher group net profit.

In Foreign stocks, Coppers were firm, U.S. and Germans steady, while Dutch, Gold Mines and Oils eased.

Germany

Most leading shares rose. Turnover was low.

Motors and Banks were mixed, while Steels were lower.

In Options trading prices were steady on lower turnover, with activity centring on Chrysler and Thyssen calls and Preussag puts.

The Domestic Bond market continued firm, with Federal Railway Loans particularly in demand. The Bundesbank sold DM 15.1m net of stock after sales of DM 40.2m on Wednesday.

Mark Eurobonds remained firm.

Australia

Stocks closed slightly easier after a week of hectic trading with Oils down while Minings mainly consolidated their earlier advances.

Among Gold Mines, Central Noresman rose 10 cents to A$9.00 and Emperor 3 cents to 2.08, but G. Mt Kalgoorlie shed 12 cents to 6.82, Poseidon 20 cents to 3.55, Peko 10 cents to 8.10 and Bougainville 6 cents to 2.55.

Among Oils, Southern Pacific lost $A1 to 22.00, Offshore 4 cents to 40 cents and Strata 1 cent to 68 cents.

Retailers were steady, while Banks were mixed.

EZ Industries dipped 10 cents to 6.90—Thursday it announced a $A160m development of its Elura lead, zinc and silver deposit near Cobar, New South Wales.

Hong Kong

Market continued firmer in fairly active trading.

Rumours of a Hongkong Bank bid for the minority holdings in Hang Seng Bank were now largely discounted, but Hang Seng continued very firm, rising another HK$5 to 116.

Associated Hotels rose 17½ cents to HK$4.975, following interim results, while China Light gained 40 cents HK$21.50.

Price movements elsewhere were limited. Green Island Cement lost 50 cents to HK$47.74.

Tokyo

Lower after late profit-taking in front runners pared initial gains. Volume 250m shares.

Small speculatives closed generally lower after fluctuating widely following the tentative Stock Exchange decision to ban Margin Trading in small companies from next year.

Nippon Signal fell Y40 to 560, Kyosan Y8 to 358 and Rasa Industries Y15 to 577, but Miyaji Iron Works rose Y30 to 1,800 and Japan Wool Y30 to 924.

Front-running Oils, Coals, non-Ferrous Metals and "big-capitals" also closed lower on late profit taking, but Chemicals, Foods and some Electricals were higher.

Johannesburg

Gold shares rose during the afternoon, in line with the higher bullion price and recovered earlier losses prompted by heavy London selling.

Heavyweight Producers gained up to 150 cents and Medium and Lightweights up to 20 cents, but JCI roducers were mixed after *reporting higher dividends.*

Mining Financials rose, with Anglovaal 200 cents up at 4,200 cents after results.

Switzerland

Prices closed steady in fairly active trading with demand focussing on special situation stocks.

Holderbank eased slightly following strong gains in recent days, and Banks and Insurances were little changed in less active trading.

Domestic Bonds continued to ease moderately on higher Savings Deposit and Mortgage Interest rates, but the market remained little affected and Foreign Bonds continued steady.

Indices

NEW YORK — DOW JONES

	June 6	June 4	June 6	June 2	May 30	May 29	1980 High	1980 Low	Since C'mpila'n High	Since C'mpila'n Low
● Industr'ls	858.70	853.02	845.77	847.35	852.85	846.25	903.84 (15/2)	759.15 (21/4)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	78.24	72.32	72.56	72.46	72.65	72.58	74.01 (9/1)	65.87 (28/5)	—	—
Transport	277.36	273.48	270.37	269.59	269.25	268.14	305.80 (9/2)	233.69 (27.5)	305.80 (812/80)	12.23 (8/7/32)
Utilities	103.53	103.23	129.77	109.28	112.28	129.91	115.46 (14/2)	96.04 (27/5)	165.32 (20/4/69)	12.52 (28/4/42)
Trading Vol 000's	49,079	44,160	34,158	32,710	34,920	42,000	—	—	—	—

● Day's high 868.60 low 853.50

Ind. div. yield %	May 30	May 23	May 16	Year ago (approx)
	6.19	7.16	6.60	6.19

STANDARD AND POORS

	June 5	June 4	June 3	June 2	May 30	May 29	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	129.91	128.73	124.25	124.53	125.03	125.92	134.47 (13/2)	111.09 (27.7)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	112.78	112.51	112.51	118.76	111.24	112.27	118.44 (14/2)	98.22 (15.2)	125.85 (11/1/73)	4.40 (1/6/42)

	June 4	May 28	May 21	Year ago (approx)
Ind. div. yield %	5.98	5.66	5.63	6.28
Ind. P/E Ratio	7.62	7.77	7.46	7.92
Long Gov. Bond Yield	10.11	10.15	10.20	8.95

N.Y.S.E. ALL COMMON

June 5	June 4	June 3	June 2	1980 High	1980 Low
54.38	64.24	65.11	65.23	67.77 (13/2)	55.30 (27/3)

Rises and Falls	June 5	June 4	June 3
Issues Traded	1,892	1,880	1,881
Rises	922	1,150	039
Falls	589	398	792
Unchanged	382	332	443
New Highs	72	50	29
New Lows	4	6	6

MONTREAL

	June 5	June 4	June 3	June 2	1980 High	1980 Low
Industrial	384.63	365.39	358.35	358.46	425.80 (29/2)	323.21 (27/3)
Combined	341.87	341.91	336.45	338.42	378.90 (29/2)	290.90 (27/3)
TORONTO Composite	2019.2	2019.4	1984.6	1981.2	2152.6 (25/2)	1702.5 (27/3)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Gulf United	886,200	20¾	+⅞
IBM	653,700	57	−1⅛
Gulf & Western	581,900	17½	+½
Hospital Corpn.	485,000	34½	+⅜
Banquet	464,800	11	−¾
Mobil	457,900	73⅞	−1½
Kerr McGee	439,500	77½	−3⅞
Dow Chemical	381,100	33⅝	−1⅝
Esmark	364,700	33	+1
Am. Tel. & Tel.	351,800	52⅞	+½

	June 6	June 5	June 4	June 3	1280 High	1280 Low
AUSTRALIA						
Sydney All Ord. (1936/69)	272.71	575.13	865.62	869.21	947.47 (14/2)	768.00 (2/1)
Metals & Minls (1936/69)	5543.56	5613.73	5431.27	5354.59	6630.95 (14/2)	4587.28 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	67.11	(c)	67.22	67.32	63.40 (7/1)	67.22 (4/6)
BELGIUM						
Belgian SE (31/12/65)	95.33	95.89	95.84	95.74	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1.1/73)	76.76	(c)	73.27	73.19	86.74 (2/1)	74.78 (5/3)
FRANCE						
CAC General (29/12/61)	108.80	103.4	103.9	103.7	117.80 (22/6)	97.1 (3/1)
Ind Tendance (28/12/79)	106.70	105.4	105.3	105.7	109.70 (18/2)	95.50 (4/1)
GERMANY						
FAZ-Aktien 31/12/62	224.45	(c)	225.61	224.73	233.89 (25/2)	212.75 (28/3)
Commerzbank (Dec.1953)	703.80	(c)	702.5	702.7	749.2 (25/2)	667.2 (27/3)
HOLLAND						
AHP-CBS General (1970)	85.2	85.0	84.1	84.4	87.2 (11/2)	74.8 (27/3)
ANP-CBS Indust. (1970)	66.6	65.9	65.5	65.5	68.2 (11/1)	58.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	831.75	825.43	826.07	833.33	963.17 (15/2)	738.9 (19/3)
ITALY						
Banca Comm. Ital (1972)	98.56	97.76	97.43	97.13	93.58 (6/6)	65.11 (2/1)
JAPAN						
Dow Average (16/5/49)	5814.5	5821.24	5795.53	5328.79	5304.61 (25/4)	5475.86 (27/3)
Tokyo New SE (4/1/68)	484.9	484.81	484.12	485.04	472.65 (14/2)	449.01 (18/3)
NORWAY						
Oslo SE (1/1/72)	132.23	142.61	150.23	129.37	144.70 (14/2)	110.12 (28/3)
SINGAPORE						
Straits Times (1966)	529.51	522.21	522.33	520.43	523.31 (5/6)	428.75 (3/1)
SOUTH AFRICA						
Gold (1958)	—	(u)	513.7	605.5	631.8 (2/6)	505.0 (4/1)
Industrial (1958)	—	(u)	517.6	515.6	528.1 (28/5)	456.0 (29/1)
SPAIN						
Madrid SE (28/12/79)	98.16	(c)	97.87	97.39	108.29 (21/2)	96.76 (13/5)
SWEDEN						
Jacobson & P. (1/1/58)	371.12	373.38	370.50	370.18	396.38 (9/2)	354.72 (17/1)
SWITZERLAND						
Swiss Bank Co. (31/12/58)	294.5	294.6	293.8	293.4	317.9 (11/2)	284.3 (22/4)
WORLD						
Capital Intl. (1/1/70)	138.8	—	137.3	136.4	143.3 (13/2)	120.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

Sharply higher profit at Holderbank

By John Wicks in Zurich

SHARPLY HIGHER profits are reported for 1979 by the Swiss cement industry holding company Holderbank.

After tax group earnings are 72 per cent ahead at SwFr 142.3m ($86m) following a rise of almost 9 per cent in sales in volume terms for cement, lime and clinker.

An unchanged dividend of SwFr 14 per share is recommended by the Board. Net profits of the parent company rose slightly to SwFr 21.16m despite payment of SwFr 5m to free reserves, the first transfer of this nature for three years.

Following the 8.8 per cent rise in the volume, cash turnover jumped by 15.9 per cent in 1979 to SwFr 2.28bn ($1.38bn). Partly due to more favourable exchange rates, group cashflow improved by 10.2 per cent to SwFr 421.4m.

During the past year, the Swiss holding company strengthened its participations in St. Lawrence Cement of Montreal, Cementos Veracruz of Orizaba in Mexico, and the Caracas-based Cementos Caribe, as well as acquiring a stake in Queensland Cement and Lime Company.

Fixed assets investments rose by 26 per cent over the year to SwFr 337m ($204.2m).

French stores gain

French departments stores group Galeries Lafayette, reports a rise of more than a third in consolidated earnings for 1979, our Financial Staff writes.

Group income was FFr 36.7m ($8.8m) for last year, up 36 per cent from the FFr 27m returned for 1978. Consolidated cash flow rose, to FFr 143.5m from FFr 119m. Consolidated sales totalled FFr 7bn against FFr 6.1bn.

Peugeot in car electronics link with Thomson-CSF

BY TERRY DODSWORTH IN PARIS

TWO OF FRANCE'S largest industrial groups, PSA Peugeot-Citroen and Thomson-CSE, have decided to combine their vehicle electronics research interests in a jointly-owned company.

No figure has been given for the deal, but PSA, the motor manufacturer which embraces the Peugeot, Citroen and Talbot manufacturing concerns, will control the business with between 51 and 66 per cent of the capital.

The two partners stressed yesterday that the new company was not intended to go into manufacturing. Products developed by the research teams are expected to be made by Thomson-CSF, one of the leading electronics producers in France and a part of the Thomson group.

The agreement comes about 18 months after Renault, the nationalised French car producer, linked up with Bendix of the U.S. to form a vehicle electronics group which has since built a factory at Toulouse in Southern France. This plant is already producing some units.

PSA, like many other leading vehicle producers, seems intent on keeping a grip on electronics developments, one of the most important areas of vehicle evolution, rather than leaving research entirely in the hands of independent suppliers.

The vehicle company has already had considerable experience of working with Thomson through its Citröen subsidiary which uses components designed by the electronics group for the electronic ignition on its Visa model.

Under the agreement with Thomson, development will continue on similar devices for engine control as well as driving aids. Products developed will be available to all three divisions of the PSA Group.

Woodside hails 'step forward'

BY JAMES FORTH IN SYDNEY

DIRECTORS OF Woodside Petroleum, the major partner in the North West Shelf project off Western Australia, have hailed the agreement for a US$1.3bn loan from a syndicate of international and Australian banks, announced yesterday as a "major step forward." But they have cautioned that final approval has not yet been given by the project participants.

Woodside has a 50 per cent interest in the project. A firm letter of intent for a group of Japanese utilities to take 6m tonnes a year of liquified natural gas (LNG) has still to be finalised, but this is expected soon.

The loan is a triumph for Woodside because the company, which until a few years ago was only a small exploration group, "is borrowing in its own right, without a guarantee from its major shareholders, the Shell Oil group, and Australia's largest company, Broken Hill Proprietry. However, Woodside intends to conclude a contingent standby arrangement with BHP and Shell, designed to ensure that "under certain circumstances" it should have access if required to an additional A$300m (US$345m).

The other partners in the project are responsible for finding their own finance. Shell and BHP, through a jointly-owned company, North West Shelf Development, own 43 per cent of Woodside, and also have a direct interest in the project of 16.67 per cent. The other partners are British Petroleum and California Asiatic Oil, each with 16.67 per cent.

Woodside directors said that although a formal decision by the participants to implement the A$4-5bn project had not yet been taken. "Woodside can now move towards finalisation of the various contracts and agreements involved in the knowledge that the loan facility will be available for its 50 per cent share of the development cost of the facilities necessary for the supply of pipeline gas to the State Energy Commission of Western Australia.

Despite their caution the project has been pressing ahead at full steam, letting major contracts for the development.

These include an A$50m contract to build the jacket for the first production platform on the North Rankin gasfield, awarded to Nippon Kokan Kaisha. The consortium cannot afford to delay if it is to meet its commitment to supply Perth with natural gas by September, 1984, and to produce LNG for export by 1986.

Earnings decline at Forbo

BY OUR ZURICH CORRESPONDENT

GROUP TURNOVER of Forbo, the plastics, carpets and building chemicals group, rose by 7 per cent last year to SwFr 481.2m ($289m), but profitability declined with net income dropping by 5.5 per cent to SwFr 14.4m ($8.64m).

The parent company attributes this drop primarily to the large rise in the cost of petrochemical-based raw materials. About 43 per cent of group sales are accounted for by plastic floor-coverings, 26 per cent by carpets, 15 per cent by linoleum and 11 per cent by wall-coverings. The remaining 5 per cent comes from the sale of building chemicals and other products.

Parent company net income was almost unchanged at SwFr 10.07m and the company is to pay unaltered dividends of SwFr 60 per A bearer share and SwFr 240 per B bearer share.

This year has started will for Forbo companies. Sales were satisfactory and up to expectations for the first four months. The company expects a further improvement of turnover for 1980 as a whole.

At the same time, the Board expects "satisfactory" profits for this year. During the course of 1980 investments of some SwFr 20m are foreseen, of which about SwFr 14m will go to the plastic floor-coverings and linoleum sectors.

State aid of SKr 6bn at Svenska Varv

By Victor Kayfetz in Stockholm

SWEDEN'S Parliament has approved a Government Bill providing SKr 6bn ($1.44bn) in restructuring grants to Svenska Varv, the state company which owns the major shipyards, with the aim of making it profitable by 1985. Manpower at the company will probably have to be cut by at least 5,000 or 25 per cent.

But the three party non-socialist government suffered a blow to its industrial policy when an opposition Social Democratic amendment to keep open the large Öresund yard in the south-western town of Landskrona won by 162-159. This was due to the defection of two Liberal MPs, including one who is an employee of the Öresund yard, from the Government's line.

Mr Nils G. Asling, the Minister of Industry, had called for a gradual shutdown of Öresund as new jobs became available to its 2,500 redundant employees.

Debate

The victorious Social Democratic amendment instead, provides for a cutback of only 1,000 men.

During the marathon 14-hour debate preceding the vote, Mr. Asling stressed the need to shift Sweden's investment resources away from shipbuilding into industries with a more promising future.

Since 1977 the Government has pumped more than SKr 12bn into shipyards while cutting back their manpower by 9,000. Svenska Varv lost SKr 5bn in the same period.

Orders

Under the Bill approved on Thursday, the Uddevalla yard north of Gothenburg will retain its present workforce and build tankers, bulk and product carriers.

Cuts of up to 4,000 employees may take place in Gothenburg and Malmö yards but the number will be contingent on how many orders they garner. Gothenburg's Arendal yard will build offshore constructions and prefabricated factories while Kockums in Malmö will specialise in ferries and gas and chemical carriers. The Karlskrona yard will concentrate on naval vessels.

Cavenham and Diamond in agreement on takeover

BY DAVID LASCELLES IN NEW YORK

CAVENHAM Holdings and Diamond International, the U.S. wood products company it has been pursuing, reached a truce in their long-drawn out acquisition battel yesterday.

Under an agreement lasting for five years, Cavenham will be able to increase its stake in Diamond from its present 6 per cent to a maximum 40 per cent. Cavenham's original offer was for some 40 per cent of the company. Cavenham's basic offer price also remains unchanged at $45 a share.

Agreement was also reached on how the outcome of Diamond's controversial bid for Brooks-Scanlon, a lumber company, should be handled. The voting on this bid is still being counted. But Cavenham bitterly opposed it, and said originally that it would only pay $40 per Diamond share if it went through. In an apparent concession to Diamond management, Cavenham has now agreed to raise this offer to $42.

The outcome of the vote should be known early next week.

The agreement also provides for an end to all the litigation surrounding the bid. Mr. William Koslo, Diamond's president, said Diamond had suspended talks with other would-be purchasers of the company.

Sir James Goldsmith, who controls Cavenham and who has been in New York negotiating to get the deal accepted, said yesterday: "Despite a very hard-fought bettle which lasted many weeks, it's very encouraging that Diamond management and ourselves feel confident that we can work together

Yesterday's agreement details came just one day after Diamond had reported that it had been "talking" with three other takeover candidates in an attempt to foil the Cavenham deal.

● Chase Manhattan has filed for a public offering of 2m Preferred shares at $50 each to raise $100m.

Thomson sells Calgary morning newspaper

BY CARY FRENCH IN TORONTO

THE CALGARY ALBERTAN, a morning tabloid newspaper acquired earlier this year by Thomson Newspapers Limited of Toronto, has been sold to Toronto Sun Publishing Company for an undisclosed sum.

The new owner, which launched the morning Edmonton Sun two years ago, plans to rename the Albertan the Calgary Sun when it takes control on July 31.

The money-losing Albertan competes with the Calgary Herald, a large afternoon paper owned by Southam Incorporated of Toronto. The Albertan has a circulation of about 50,000.

The purchase will not include valuable city property owned by the Albertan or a contract to print Alberta telephone books, considered to be two major assets of the newspaper. The Calgary Sun will operate in the present building under an 18-month lease.

The Albertan was acquired by Thomson Newspapers as part of its purchase of FP Publications of Toronto in January.

W. R. Grace optimistic

BY OUR FINANCIAL STAFF

EARNINGS FOR the second quarter ending June 30 at W. R. Grace, the U.S. natural resources, agricultural and chemicals group, are expected to be higher than the $61m, or $1.35 a share, achieved in the same period last year, Mr. Robert M. Coquillette, the executive vice-chairman, said in St. Louis. Sales would be "slightly higher" than the previous $1.4bn.

In the specialty chemicals sector, packaging, water treatment chemicals and catalysts were among products which are foreacst to produce earnings better than previously expected. Downturns in the construction and automobile industries brought adverse effects but these were offset by the good spring demand for fertilisers.

Mr. Coquillette said that although the company's restaurants "have to scramble harder" to achieve higher sales, restaurant operations, except for Del Taco, were "doing well."

The fast food chain continued to lose money but was "under control."

The company saw "improved" earnings for the year compared with last year's record $222.6m or $5.02 a share. Sales were expected to exceed $6bn compared with last year's record of $5.3bn.

Ireland wins U.S. software research

By Jason Crisp

IRELAND TOOK one further step along its chosen path to become one of Europe's leading centres for the electronics industry with the announcement that it had attracted the research and development department of a major U.S. computer software house to Dublin.

Turnkey Systems, a subsidiary of National CSS, one of the largest computer service companies in the U.S. and itself a subsidiary of Dun and Bradstreet, will eventually employ 70 people with all the training costs financed by the Irish Industrial Development Authority.

According to Mr. Jerry Kelly, the IDA's manager of service industries, the authority is now putting as much effort into attracting software houses to Ireland as it is in the better known, and more competitive field, of attracting hardware companies. The IDA employs 12 people full time to attract software companies.

Turnkey Systems' main product is TASK/MASTER, one of the largest sold programmes to monitor telecommunication systems. The new Dublin operation will eventually become the company's main headquarters for research and development and be mainly staffed by Irish nationals.

COMMODITIES/REVIEW OF THE WEEK

Ivory Coast deal rallies cocoa

BY OUR COMMODITIES STAFF

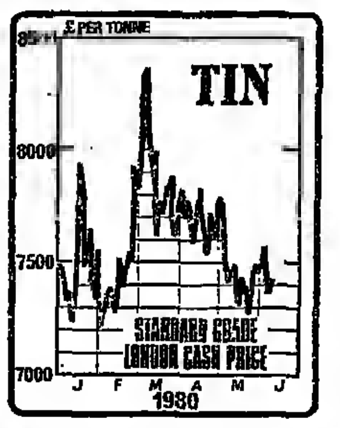
COCOA PRICES rallied strongly this week, after falling to new four-year lows on Monday. The September position closed last night at £1,117.5 a tonne after reaching a high of £1,136 at one stage. This compared with a low of £1,041 on Monday.

It was confirmed on Monday that the Ivory Coast had sold 100,000 tonnes of its surplus cocoa to European and U.S. consumers, via a London merchant.

At first the news was viewed "bearishly," in the belief that it would undermine consumer buying interest and possibly bring out some selling of previously held stocks.

However, as prices started to rise it was pointed out that the deal had removed a potentially weak seller, one which had been a depressing influence. Other producers, notably Ghana, were reported to have sold large quantities too. However, yesterday there were unconfirmed reports that Brazil was considering lowering its minimum export price, and West African countries were reported to be selling at the higher levels, so early gains were eroded.

Hopes of more co-operation between producers and consumers to help stabilise the market, after the collapse of the International Cocoa Agreement, were raised when a meeting of the Cocoa Council was adjourned until September to provide more time for renewed negotiations on a new cocoa pact.



The world sugar market went into a technical decline this week in reaction against the recent upsurge that had lifted prices to 5½-year highs. The London daily raw sugar price ended £51 down at £285 a tonne—the lowest level since early last month—while on the futures market the October position fell £46.75 to £359.625 a tonne.

Suggestions of further Indian buying—later denied—and news that force majeure had been declared on more Thai shipments interrupted the decline later. But it was resumed when it was announced that London market margins are to be doubled next week.

Coffee prices climbed to six-month highs encouraged by Brazilian frost fears but then eased as these faded.

As a result the September position on the London futures market, which had climbed to £1,784.5 a tonne at one time, slipped back to end the week £2.5 down at £1,738.5 a tonne.

In the metals markets, the spectacular rise in gold encouraged a firm trend in silver and free market platinum. The bullion spot quotation for silver yesterday was raised at the morning fixing to 730.20p a troy ounce, 142.6p up on a week ago, and prices moved further ahead in later trading. Free market platinum gained £33.5 during the week to £283.80 a troy ounce.

However, the gains in precious metals were not shared by the base metals, which continued to be depressed by the gloomy economic outlook in the U.S. Copper came under selling pressure and cash wirebars ended the week £20.5 down at £882 a tonne. U.S. producers cut their domestic selling prices back by 3 cents to 93 cents a lb. It

Tin prices, however, were very erratic. Prices were lifted by rumours that the start of U.S. stockpile tin sales, due to begin on July 1, would be delayed. But the market quickly fell back again when it was officially confirmed, once again, that the sales would start as planned. The cash tin price eventually ended the week £75 lower at £7,420 a tonne, despite rallying yesterday.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1980 High	1980 Low
METALS					
Aluminium	£810/815	—	£710/50	£810/815	£760/70
Free Markets c.i.f.	$1,720/1,740	+50	$1,650/50	$2130/2200	$1630/1710
Antimony					
Free Market 99.6%	$5,500/5,330	—40	$3,250/300	$5,435	$3200/3300
Copper Cash Wire Bars	£882	—20.5	£900.5	£1,372	£876.75
3 months Do. Do.	£900.5	—23.25	£911.5	£1,376.5	£900.5
Cash Cathodes	£853.5	—24.5	£875.5	£1,516	£853.5
3 months Do	£878.5	—24.5	£895.6	£1,343.5	£878.5
Gold per oz	$601	+65.5	$279.625	$835	$473
Lead cash	£312	—13.5	£690	£579	£309.5
3 months	£317.5	—11.5	£655.75	£4715	£515.5
Nickel	£3,248.35	—108.74	£3,279.04	£3,477	£3,195.78
Free Market c.i.f. lb.	270/300c	+5	$300/30c	315/345	265/295c
Platinum per oz	£182.50	—10.5	£171	£195	£188.50
Free Market per oz.	£283.80	+33.50	£207	£466.6	£230
Quicksilver (76lbs.)	$380/390	—10	$350/50	$405/416	$375/380
Silver per oz.	730.20p	+142.5	410.7p	2,165.05p	467.80p
3 months per oz	755.20p	+147.5	421.6p	2,185.05p	483.3p
Tin cash	£7,420	—75	£7,435	£8,550	£7,235
3 months	£7,385	—30	£7,175	£8,385	£7,167
Tungsten Ind.	$141.75	—0.76	$136.8	$144.50	$157.75
Wolfram 22.04 lb	$138/143	—	$144/148	$147/151	$129.50/154
Zinc cash	£290.5	—7.75	£370.5	£400	£288.6
3 months	£300.75	—7.25	£380.75	$415.5	£299.5
Producers	$780	—	$845	$825	$780
GRAINS					
Barley					
Home Futures	£96.00	+0.20	£90.10	£101.65	£89.95
Maize					
French No. 3 Yellow (Amer).	‡	—	£109.76	£119	£116
Wheat					
No. 1 Red Spring	‡	—	‡	£105	£92.76
No. 2 Hard Winter	‡	—			
Eng. Milling (new crop)	‡	—	£107.5	‡	‡
SPICES					
Cloves (g)	£4,175y	—	£3,950	£4,175	£3,870
Pepper, white	$2,560y	—	$2,550	$2,825	$2,350
black	$1,675y	—	$1,700	$2,025	$1,576
OILS					
Coconut (Philippines)	$637.50w	—	$1,085	$925	$670
Groundnut 5%	‡	—	‡	£457	‡
Linseed, Crude	£404	—	£386	£464	£368
Palm Malayan	$570t	—	$654.5	$725	$505
SEEDS					
Copra (Philippines)	$416	—15	$712.5	610	$360
Soyabeans (U.S.)	$263.50t	—2.5	$317.5	$304	$260.6
OTHER COMMODITIES					
Cocoa Shipment	£1,175	+81	£1,809	£1,545	£1,114
Future Sept.	£1,117.5	+48.6	£1,737.5	£1,518.5	£1,053
Coffee Futures Sept	£1,738.5	—2.5	£1,893.5	£1,784.5	£1,479
Cotton Index	85.25c	—1.9	75.3c	98.40c	83.85c
Des. Coconut	£700	—	£740	£740	£700
Jute U.A BWC grade	£213y	—6	‡	£226	£212
Rubber kilo	99p	+1.5	65.75p	90p	55.60p
Sago Pearl	£207y	—	£188	£215	£204
Sisal No. 3 L	$885	—	£700	$885	$860
Sugar (Raw)	£285	—61	£100	£368	£164
Tapioca No. 1	£205y	—	£190	£221	£202
Tea (quality) kilo	150p	—	136p	150p	158p
(plain) kilo	71p	—	76p	71p	55p
Wooltops 64s Warp	294p kilo	—1	279p	308p kilo	276p kilo

‡ Unquoted. (g) Madagascar. (x) Aug./Sept. (t) Aug. (w) July/Aug. (y) June/July. (v) July.

MARKET REPORTS

BASE METALS

COPPER—Lost ground on the London Metal Exchange. After a firm opening, when forward metal moved up to £913 [illegible]

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
Wirebars				
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]		
Cathodes				
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	865.6	—5.5	877.80	—9
Settlem't	885.6	—8	—	
U.S. Prod	866	—6	*95	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £882, 81.5, three months £912, 11, 10, 09, 10, 09.5. Cathodes, cash £861, three months £885, 86. Kerb: Wirebars, three months £910, 10.5. Afternoon: Wirebars, three months £901, 3, 2, 1.5, 900, 1, 2, 1.5, 2, 1, 900. Kerb: Wirebars, three months £902, 3, 4, 3.5, 4, 4.5, 6, 5, 4.

TIN—Marginally firmer following small-scale buying interest which lifted forward metal to £7,270 before a close on the late kerb of £7,320. Turnover 735 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7440-60	—5	7420-50	+50
3 months	7390-410	—15	7400-20	+50
Settlem't	7460	+10	—	
Standard				
Cash	7410-20	—17.5	7410-30	+50
3 months	7350-60	—25	7360-70	+30
Settlem't	7420	—15	—	
Straits E.	$2176			
New York	—		—	

Morning: Standard, cash £7,420, three months £7,372, 65, 70, 60, 55. High Grade, cash £7,450. Kerb: Standard, three months £7,350. Afternoon: Standard, three months £7,350, 55, 60. Kerb, Standard, three months £7,320.

LEAD—Steady. Forward metal traded within narrow limits throughout the day prior to closing the late kerb at £318. Stocks are forecast to show a modest fall over the past week. Turnover 4,500 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	512-3	—4	511-3	+2.5
3 months	516.5-7	—2.75	517-8	+2
S'ment	315	—4	—	
U.S. Spot	—		*36-40	

Morning: Cash £312, three months £317, 18, 17.5, 17, 19.5, 16. Kerb: Three months £316, 17, 16. Afternoon: Three months £315, 17, 18, 17, 18.5, 18, 17.5, 18. Kerb: Three months £318, 17, 18.

ZINC—Moved narrowly, in routine trading before ending the afternoon at £301. Turnover 3,150 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	290.5-1	—2	290-1	—1.25
3 months	301.5	—2.25	300.5-1	—2
S'ment	281	—2.5	—	
Primw'ts	—		*37.5	

Morning: Cash £291, three months £303, 2. Kerb: Three months £301. Afternoon: Three months £300, 1. Kerb: Three months £300.

ALUMINIUM—Little changed on balance. Forward metal attracted short covering during the morning and moved up from £733 to £743. However, the price fell back in the afternoon on profit-taking and general liquidation to end the day at £734. Turnover 6,950 tonnes.

Morning: Three months £738, 37, 36, 35, 37, 38, 38.5, 38. Kerb: Three months £737, 36. Afternoon: Three [illegible]

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	759.4	+6	734-6	+1.5
3 months	737.5-8.5	+7.5	732-5-3	—1.25

months £733, 34, 32. Kerb: Three [illegible]

NICKEL—[illegible]

SILVER

[illegible]

COCOA

[illegible]

COFFEE

With the recent cold spell in Brazil's coffee producing areas seemingly dispersed of and a forecast of a warmer outlook the market tended to drift lower, reports Drexel Burnham Lambert. In the afternoon weakness in New York prompted further losses and values [illegible]

GRAINS

[illegible]

RUBBER

[illegible]

WOOL FUTURES

[illegible]

SUGAR

[illegible]

COTTON

[illegible]

AMERICAN MARKETS

NEW YORK, June 9. FEARS OF another advance in OPEC oil prices brought a lot of support into the precious metals. Copper prices suffered a mild setback. Producer selling plus a warming trend in Brazil moved coffee prices lower. Cocoa prices continued drifting lower on larger surplus indications. Cotton advanced moderately on buying from [illegible]

March 303½-303¾, May 311½, July 317¼. Pork Bellies—July 27.40-27.30 (28.55), Aug. 27.75-27.50 (28.72), Feb. 42.40-42.50, March 42.45, May 42.90, July 43.95, Aug. 42.55.

Silver—June 1687.0-1690.0 (1588.0), July 1690.0 (1600.0), Aug. 1715.0-1720.0, Oct. 1750.0, Dec. 1776.5, Feb. 1803.0, April 1829.5, June 1856.0, Aug. 1882.5, Oct. 1909.0, Dec. 1935.5, Feb. [illegible]

INDICES

[illegible]

SOYABEAN MEAL

[illegible]

MEAT/VEGETABLES

[illegible]

APPOINTMENTS

Three directors for Ford Motor

Three new members have been appointed to the board of FORD MOTOR COMPANY. Mr. John McDougall, recently appointed executive vice-president, Ford International Automotive Operations, Ford Motor Company, joins the board of Ford of Britain for the second time. Mr. McDougall previously served from September, 1974, to October, 1977, when he was president and subsequently chairman of Ford of Europe. He replaces Mr. Donald E. Petersen on the British board. The other two appointments are Mr. Stanley Thomson, director of finance, Ford of Britain and Mr. John Waddell, vice-president public affairs, Ford of Europe. Mr. Thomson has been with Ford since 1961 and Mr. Waddell since 1962.

★

Mr. J. C. Melbourne, chief executive of the process engineering and construction division of John Brown and Co., having completed his agreed five years in the UK, is to return to Australia early next year. From January 1, 1981, Mr. E. J. Bavister, at present managing director of Constructors John Brown, will take over as chief executive of the process engineering and construction division. Mr. Allan Gormly, John Brown Group director of financial planning and control, is to be appointed director of finance and planning of the process engineering and construction division and also as deputy managing director of CJB. Mr. D. C. P. Gaberoni, who is director of finance and planning of the process engineering and construction division, is to take over as John Brown Group director of planning and control. Mr. Gormly is already a member of the John Brown Group board of management. Mr. Bavister and Mr. Gamberoni will also become members of the Board.

★

FEDERATED INSURANCE COMPANY has appointed to its board, as non-executive directors, Mr. R. T. MacPherson, Mr. Archie R. Boe, chairman of the board and chief executive officer of Allstate, and Mr. Richard Haayen, senior executive vice-president of Allstate. Mr. MacPherson is not chairman and chief executive officer of Allstate, as reported on Friday. He is deputy chairman and managing director of Mallinson-Denny.

Sir Richard King will become an adviser to S. G. WARBURG AND CO. in September in connection with its international advisory services. Sir Richard was Permanent Secretary at the Ministry for Overseas Development from 1973 to 1976 and is currently executive secretary of the Joint IMF/IBRD Development Committee in Washington. Sir Richard is leaving the Bank and the Fund at the end of July.

★

Mr. A. L. Silver has ceased to act as secretary and resigned as a director of CREST INTERNATIONAL SECURITIES and subsidiaries. Mr. B. Simmons, a director, has been appointed secretary. The registrars are now LMS Registrars (Cheapside), of Wembley.

★

Mr. Barry E. Wild has been appointed a director and chief executive of BOWATER CARPETS from June 16.

★

Mr. John Champness has been appointed to the board of LOWNDES LAMBERT GROUP, insurance brokers. He remains managing director of hull insurance business for the group's subsidiary, Lowndes Lambert Marine.

★

BIRMINGHAM CHAMBER OF INDUSTRY AND COMMERCE state that the new chairman and officers of the West Midlands Regional Group of Chambers of Commerce are Mr. J. G. Ackers, chairman; Mr. G. N. Jackson, vice-chairman, and Mr. J. K. Warburton, regional secretary and treasurer.

★

Mr. Stuart W. Heap, financial director of the international A-V and video division of Bell and Howell, has been appointed to the Board of BELL AND HOWELL A-V, the division's UK marketing company.

★

AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION has appointed Mr. Robert S. Brewis as vice-president of its investment banking group and as a director of AMEX BANK. Mr. Brewis will be responsible for the regional investment banking unit, Asia, based in Hong Kong.

★

Mr. Jesse de Alba has been appointed director of export (Latin America) by SIMON ENGINEERING DUDLEY. His responsibilities will cover products from the company's factories in the West Midlands (UK) and Milwaukee (U.S.). Before joining Simon, Mr. de Alba was a corporate vice-president of Pettibone in the U.S.

★

Mr. Mark Baker has been appointed director—components division and Mr. Tony Stanton, director—industrial equipment division for CUTLER-HAMMER EUROPA, a subsidiary of Eaton Corporation. Both will be located at Bedford. Mr. Stanton succeeds Mr. William K. Barkovitz, who is returning to the U.S. to take up an Eaton position in Michigan.

★

Mr. Norman E. Greensill, treasurer of GENERAL MOTORS LIMITED, has been elected to the Board of that company, which is a subsidiary of General Motors Corporation.

★

Mr. E. G. Hutchinson has joined the DAN-AIR Board and Mr. D. L. Bernstein is now an associate director. Mr. Hutchinson has been chief executive of Neptune A/G, a subsidiary of the Bowater Corporation and Mr. Bernstein was a director of British Air Ferries.

★

Mr. John Winterbotham, formerly solicitor to Imperial Chemical Industries, is joining BOODLE HATFIELD AND CO. as a consultant from September 1.

★

Mr. Richard J. Mooney has joined the Board of EXECUTIVE PRESELECTORS as managing director.

★

Mr. W. E. Hall, director of the NATIONAL ASSOCIATION OF HEALTH AUTHORITIES IN ENGLAND AND WALES, will retire on medical advice on July 6.

★

Mr. R. W. Mattock has been appointed a director of LEYLAND PAINT AND WALLPAPER.

★

Mr. David Croft, Mr. Patrick Evershed, Mr. John Oliver and Mr. Richard Starr will be joining the partnership of LAURENCE PRUST AND CO., stockholders, on June 14.

★

Mr. John J. Smith, chairman of Henderson Kerr, has been elected president of the BRITISH SCRAP FEDERATION, succeeding Mr. Tony Bird. Mr. Colin Nutter, R. Taylor and Sons (Scrap), is president designate.

★

Mr. Alan Dews has been appointed a director of POINTON YORK (INSURANCE BROKERS) at Nottingham.

★

Mr. Jeff Roberts has been appointed managing director of FORPAK, a member of the Papropack Group. He takes over from Mr. Tom Renshaw, the founder of Forpak, who is retiring, but will remain as an adviser to the company.

TV RATINGS
w/e June 1

UK TOP 20 (viewers m.)

1	European Soccer (Thms.)	17.40
2	Dallas (BBC)	16.40
3	Coronation St. (Wed.) (Gran.)	16.00
4	Only When I Laugh (Yorks.)	14.90
5	All Kinds of Oans (Thms.)	13.10
5	The Mollens (Gran.)	13.10
7	World Superstars (BBC)	12.50
8	Coronation St. (Mon.) (Gran.)	11.85
8	Beauty Ch'pionships (Thms.)	11.85
10	Crossroads (Tues.) (ATV)	11.75
11	Little Big Man (BBC)	11.40
11	Val Doonican (BBC)	11.40
11	Family Fortunes (ATV)	11.40
14	What's On Wogan? (BBC)	11.35
14	Legend of the Golden Gun (BBC)	11.35
16	Other 'Erf (ATV)	11.10
17	Hart to Hart (not Lond.) (ITV)	10.65
18	Winner Takes All (Yorks.)	10.55
19	Knots Landing (BBC)	10.50
20	Starsky and Hutch (BBC)	10.45

Figures compiled by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP 10 (Nielsen ratings)

1	20/20 (comedy) (ABC)	22.7
2	Jeffersons (comedy) (CBS)	22.6
3	Dallas (drama) (CBS)	21.0
4	Alice (comedy) (CBS)	
5	Dukes of Hazzard (comedy) (CBS)	20.7
6	60 Minutes (news) (CBS)	20.7
7	Trapper John M.D. (drama) (CBS)	20.4
8	Three's Company (comedy) (ABC)	20.2
9	Bob Hope Birthday Show (NBC)	19.7
10	Taxi (comedy) (ABC)	18.3

Stock Exchange dealings

Thursday, June 5	17,044
Wednesday, June 4	17,666
Tuesday, June 3	19,965
Monday, June 2	19,195
Friday, May 30	20,970
Thursday, May 29	18,361

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous five business days. These are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the *name of the section. Unless otherwise denoted, shares are £1 fully paid and* stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ф Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BLMC 7½pcUnscd.Ln. 45½. 8pcUnscd.Ln. 48. 7¼pcUnscd.Ln. 47ф 7 8
BOC Interntl. (25p) 87ф 7 ½ 8. 5¾pc Db. 83¼ (3/6). 9pcTonnage Db. 78¼ (30/5)
BPB Indus. (50p) 174 7 (4/6). 10¾pcDb. 76 (3/6). 7¾pcUnscd.Ln. 205 (2/6)
BPC (25p) 18½ф
BSC Footwear 5pcDb. 33 (5/6)
BSG Interntl. (10p) 15¾ф ¼ ½ 18 15. 6¼pc1stDb. 85¼ ½ (3/6). 12¼pcUnscd. Ln. 69 73 (3/6)
BSR (10p) 29 8 7

Dawson Intl. (25p) 92 4 (3/6). 10¼pcDb. 75 (3/6)
De La Rue (25p) 647 3. 3½pcPf. 22 (30/5)
Deanson (Hldgs.) (10p) 36 3(/6)
Debenhams (25p) 74ф 3. 6¼pc2ndDb. 51½ (30/5). 8½pcUns.Ln. 57 (3/6). 11pc Uns.Ln. 82 (2/6)
Decca 6pcUns.Ln. 70½ (4/6)
Delta Metal (25p) 53½ 4 ½. 4½pc2ndPf. 30 (30/5)
Deritend Stamping (50p) 140 (4/6)
Dewhirst (IJ) (10p) 75 (4/6)

Stone-Platt Industs. (25p) 26½
Stothert Pitt 73 (3/6)
Streeters of Godalming (10p) 14ф
Strong Fisher (Hldgs.) (25p) 48 (3/6)
Stylo Shoes (25p) 150 (4/6)
Sumner Francis (Hldgs.) (10p) 7¾ (4/6)
Supra (10p) 68 (4/6). New (10p) 69 (4/6)
Sutcliffe Speakman (25p) 31 (2/6)
Suter Electrical (5p) 27 (2/6). Dfd. (5p) 92½
Swedish Match /B/ (K50) 8½
Swire (John) 6.3pc Pf. 59½ф
Sykes (Henry) (25p) 47
Syltone (25p) 190
Symonds Engineering (5p) 8½ 30(5)

T—U—V

Talbex (5p) 8¼ф
Tarmac (50p) 231 30 (4/6). 8¾pcUns.Ln.
Tate Lyle 124ф 8 9 7 4. 13pcUns.Ln. 89 (3/6)
Tate of Leeds (25p) 79 (2/6)
Taylor Woodrow (25p) 372
Tecalemit (25p) 75½
Telephone Rentals 25p) 201ф 3
Tesco Stores (Hldgs.) (5p) 58½
The Times Veneer (5p) 9½ (2/6)
Thermal Syndicate 25p) 99 (3/6)
Thorn EMI (25p) 264 60 7 5 6. 7pc Pf. 79ф 8½ф ½ 80 79½
Thorpe (F. W.) (10p) 121 3 (4/6)
Tilbury Contracting Group 175ф
Tilling (T.) (20p) 144 3. 5.25pcPf. 58½ф ½ф. 9½pcLn. 84
Time Prods. (10p) 95½ф
Tomkins (F. H.) (5p) 15
Tootal (25p) 24. 6¼pcDb. 62 (30/5). 7¼pcDb. 65½
Triplex (10p) 119½ ¼
Tozer Kemsley Millbourn (Hldgs.) (20p) 70 (4/6)
Trafalgar House (20p) 63ф 1 ½. 7pcDb. 42 (4/6). 9pcLn. 58½ф. 10¼pcLn. 99 (3/6)
Transport Devpt. Group (25p) 69ф. 6pc 2ndPf. 37
Travis Arnold (25p) 242 (2/6)
Tricoville (10p) 58 (2/6)
Trident Television A (10p) 47
Trusthouse Forte (25p) 169ф 72 70 69 71. Opt.Wrnts. 48ф. 10.5pcDb. 78¾ (3/6)
Tube Inv. 246 4 8 40 5
Tunnel Hldgs. (25p) 214 13 12 (30/5)
Turner Newall 94 8 7 8

UBM Group (25p) 64½ф
UDS Group 10¼pcDb. 77¼ (2/6)
U.S. Rubber Uniroyal Hldgs. 9pcLn. 103ф
Unicorn Indus. (25p) 66ф 4
Unigate (25p) 116 15. 7¼pcDb. 64¼ (4/6). 8½pcLn. 1991-96 61¼ (4/6). 8½pc Ln. 1992-97 103¾ (2/6)
Unilever (25p) 427ф 32ф 30 30ф 30 3 28 32. 4pcDb. 96¾ (4/6). 6¾pcDb. 65½ (3/6). 7¾pcLn. 54½
Unilever (NV) (Fl12) 14.50 (3/6)
Union Intnl. 36½
Unitech (10p) 264ф 8. New Ord. (10p) 268 7 (4/6)
Utd. Biscuits (Hldgs.) (25p) 71ф. New Ord. (25p) 70ф 1ф. 8pcDb. 60¼ (4/6)
Utd. Carriers (10p) 142 (3/6)
Utd. City Merchants (10p) 23 5 4 (4/6)
Utd. Engrg. Indus. (10p) 121 ½
Utd. Gas Indus. (25p) 63
Utd. Newspapers (25p) 365ф
Utd. Scientific Hldgs. (25p) 492
Utd. Wire Gp. (25p) 46 (3/6)
Unochrome Indus. (10p) 13 (2/6)
Upton (E.) Sons A Ord. (25p) 33 (3/6)

Valor (25p) 51
Vantona Gp. (20p) 103 5 (3/6)
Vickers 114ф 17 20 18 19 20. 5pcCum. Pf. 43. 8pcLn. 99ф
Victor Products (25p) 158 (2/6)
Vinten Gp. (20p 117 12 (3/60)
Vosper (25p) 135

W—Y—Z

W Ribbons Hldgs. (10p) 28½
Waddington (John) (25p) 122
Wade Potteries (10p) 44
Wadkins (50p) 90 (4/6)
Walker (Jas.) Goldsmith (25p) 80 (4/6). Non.V.Ord. (25p) 63 (3/6)
Ward and Goldstone (25p) 60 (4/6)
Ward Holdings (10p) 24
Ward (Thos. W.) (25p) 92½. 11¼pcLn. 80 (3/6)
Ward White Group (25p) 55
Waring and Gillow (Hldgs.) (25p) 112ф 12
Warner Holidays (10p) 49 (4/6). A (10p) 40½ф
Watshams (25p) 328 3 (2/6)
Watson (R. Kelvin) (10p) 108 (2/6)
Watts, Blake, Bearne (25p) 167 (2/6)
Wearwell (5p) 44½ (4/6)
Wedgwood (25p) 58
Weeks Associates (10p) 11 (4/6)
Weir Group (25p) 29 30 (4/6)
Wellco Holdings (5p) 25½ф

Phoenix Assur. (25p) 276ф 18
Provident Life Assoc. (25p) 186
Prudential (25p) 187ф 9ф 7 8
Refuge Assur. (5p) 173 (4/6)
Royal Insurance (25p) 325ф 20
Sedgwick Gp. (10p) 104½ф 7 5
Stenhouse Hldgs. (25p) 75 (2/6)
Stewart Wrightson Hldgs. (20p)
Sun Alliance London Insur. 574
Sun Life Assur. Soc. (5p) 161 2
Willis Faber (25p) 222

INVESTMENT TRUSTS

Aberdeen Invests. (25p) 65 (4/6)
Aberdeen Tst. (25p) 93½ (3/6)
Alliance Invest. (25p) 118½ (3/6)
Alliance Tst. (25p) 105 (4/6). 4½pcDb. 29½
Altifund Capital (50p) 195ф
Ambrose Invest. Tst. Income (25p)
American Tst. (25p) 49 (3/6)
Anglo American Secs. Corpn. (25p)
Anglo-Internat. Inv. Tst. Asset (25p)
Anglo-Scottish Invest. Tst. (25p) 47
Archimedes Invest. Tst. Capital (50p) 7⅛ (4/6)
Ashdown Inv. (25p) 137½ (2/6)
Atlanta, Baltimore Chicago Regional Tst. (10p) 53 (30/5)
Atlantic Asset Tst. (25p) 168½ 9
Atlas Electric Gen. Tst. (25p) 62½ (4/6)
Australian Internat. Tst. (50p) 97½
Bankers' Invest. Tst. (25p) 58ф 9
Berry Tst. (25p) 87½ (4/6)
Bishopsgate Tst. (25p) 187 (3/6)
Border Southern Stkhldrs. Tst. (10p)
Bremar Tst. (25p) 36 (3/6)
British American Gen. Tst. (25p)
British Asset Tt. (25p) 75 4 (4/6). A5pcPf. 36ф. 5pcLn. (73-98) 135ф
British Empire Sec. Gen. Tst. (5p) (30/5)
British Indust Gen. Inv. Tst. Dfd. (25p) 4 (2/6)
British Invest. Tst. (25p) 135ф
Broadstone Inv. Tst. (20p) 142ф
Brunner Invest. Tst. (25p) 91½ 2½ (30/5)
C.L.R.P. Invest. Tst. (25p) 67 (3/6) Wrts. 21
Canadian Foreign Inv. Tst. (25p) 103 (3/6)
Capital National Tst. (25p) 124. B (25p) 113 (2/6)
Cardinal Invest. Tst. Dfd. (25p)
Carlioi Invest. Tst. (25p) 143ф
Cedar Invest. Tst. (25p) 68½ф. 4½pcDb. 51ф
Charter Trust and Agency (25p) ½ф 4½ф. 5pcPf. 37½ф
City and Cml. Inv. Trust Inc. Shs. (25p) 29 (3/6). Cap. Shs. 134 2 (3/6)
Claverhouse Inv. Trust (50p) 103ф
Clifton Invests. (10p) 6¼ (30/5)
Continental and Indus. Trust (25p) 199 201 (3/6)
Continental Union Trust (25p) 117
Crossfriars Trust (25p) 94 (2/6)
Drayton Commercial Invest. (25p) 119
Drayton Consolidated Trust (25p) 130ф. 7¼pcLn. 99 (4/6)
Drayton Premier (25p) 198 (2/6)
Drayton Far Eastern (25p) 43
Dualvest Cap. Shs. 272½
Dundee and London (25p) 63½ (30/5)
Edinburgh American Assets (25p) 58 ½
Edinburgh Invest. Trust (25p) 70
Electric and Gen. Invest. (25p) (30/5)
English and Intnl. Trust (25p) (2/6). 5¼pcDb. 39½ (2/6)
English and New York Trust (25p) 72
English National Invest. Dfd. (25p) 64 (3/6)
Estate Duties Inv. Trust (25p)
Family Invest. Tst. (25p) 118 (4/6)
First Scottish American Tst. (25p). 3½pcCum.Pf. 36
First Union General Invest. Tst. 77 (4/6)
Foreign and Colonial Invest. Tst. (25p) 86½ф 7
G. T. Japan Invest. Tst. (25p) 170
General Consolidated Invest. Tst. (25p) 88 (4/6)
General Funds Invest. Tst. (25p) 187 8½ 8
General Investors and Trustees (25p) 134 (30/5)
General Scottish Tst. (25p) 90½ (30/5)
General Stockholders Invest. Tst. (12½p) 110 (3/6)
Glasgow Stockholders' Tst. (25p) 100½ (2/6)
Globe Invest. Tst. (25p) 128½ 9½. 5½pc Cav.Uns.Ln. 100ф ½ф. 11½pcCnv.Uns.Ln. 110 (2/6)
Govett European Tst. (25p) 81½
Grange Tst. (25p) 88½ (3/6)
Great Northern Invest. Tst. (25p) 100½. 4¼pcCum.Pf. 34ф
Greenfair Invest. (25p) 95 (2/6)
Gresham House Estate (25p) 170 (3/6)
Group Investors (25p) 70½ (30/5)
Greenfriar Invest. (25p) 95 (2/6)
Hambros Invest. Tst. (25p) 115 (2/6)
Hill (Philip) Invest. Tst. (25p)
Industrial and General Tst. (25p)
International Invest. Tst. 25p) 72 (3/6)

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Burmah Oil	£1	11	224	−9	249	162
European Ferries	25p	10	150	+6	150	98
ICI	£1	8	356	—	402	348
Tricentrol	25p	8	380	−4	384	250
Cons. Gold Fields	25p	6	476	+6	533	385
Imp. Cont. Gas	£1	6	846	+12	850	593
Land Securities	50p	6	306	−4	342	244
Premier Cons.	5p	6	98	—	98½	39½
BAT Inds.	25p	5	240	—	271	223
Boots	25p	5	185	+2	198	158
BP	25p	5	350	−8	412	320
Distillers	50p	5	188	+1	219	184
GEC	25p	5	356	+4	388	326
Glaxo	50p	5	200	+8	260	182
Unilever	25p	5	435	+7	480	358

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1980 high	1980 low
Burmah Oil	£1	53	224	+21	249	162
LASMO	25p	49	680	+32	685	437?
ICI	£1	46	356	+4	402	348
BP	25p	45	350	+16	412	320
European Ferries	25p	42	150xd	+21	150	98
Tricentrol	25p	40	380	+34	384	250
Premier Cons.	5p	37	98	+8	98½	39½
Reed Intl.	£1	37	187	+20	206	163
Shell Transport	25p	37	398	+18	410	314
Boots	25p	34	185xd	+5	198	158?
RTZ	25p	34	387	+17	485	327
Barclays Bank	£1	33	425	+15	452	392?
GEC	25p	33	356	+10	388	326
Beecham	25p	32	128xd	+12	134	108
Marks & Spencer	25p	29	85	+2	[illegible]	77

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

* Denotes Irish currency.

JUNE 5

Aberfoyle 390φ
Alliance Oil Development 42φ
Ampol Petroleum 62φ
Ashton Mining 136
Australian Cons. Minerals 17½
Basin Oil 00
CSR 332
Canada Nth. W. Aust. Oil 23½

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

JUNE 5

Aran Energy 410 20 4 0 30
Berkeley Expln. Production 212 13 14 15 10 17 10

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051 548 6555)	14¼	½-year	1,000	1
Redbridge (01-478 3020)	14¼	½-year	200	2-3
Redbridge (01-478 3020)	14¼	½-year	200	5-6

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Aid to Thrift	10.85	11.37	—	—
Alliance	10.25	10.50	11.75	13.00 6 yrs., 12.50 5 yrs.
Anglia Hastings and Thanet	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bradford and Bingley	10.25	10.50	11.75	11.25 one month's notice deposit
Bridgwater	10.25	10.50	12.60	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Bristol and West	10.25	10.50	11.75	—
Bristol Economic	10.25	10.50	11.75	10.75 3 months
Britannia	10.25	10.50	11.75	12.50 5 yrs., 11.25 3 months' notice
Burnley	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cardiff	10.50	11.50	12.50	—
Catholic	10.05	10.75	11.65	— Share a/cs 10.95 over £5,000
Chelsea	10.25	10.50	11.75	12.50 5 yrs, 12.00 4 yrs., 11.55 6 mths.
Cheltenham and Gloucester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Cheltenham and Gloucester	—	11.50	—	— Premium shares including 1.00 bonus p.a. (£15,000 or £20,000)
Citizens Regency	10.25	10.85	12.05	12.85 5 yrs., 12.35 4 yrs., 11.58 3 yrs.
City of London (The)	10.50	10.80	11.80	12.00 Capital City shares—4 mth. not.
Coventry Economic	10.25	10.50	11.75	12.00 4 yr., 11.50 3 yr., 11.25 3 mth.not.
Coventry Provident	10.25	10.50	12.50	12.55 av. 5 yrs., 12 4 yrs., 11.25 3 m.n.
Derbyshire	10.25	10.50	11.75	11.10 3 months' notice
Ealing and Acton	10.25	11.00	—	11.65 2 years, £2,000 minimum
Gateway	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Greenwich	—	10.75	12.00	12.75 5 yrs., 12.25 4 yrs., 11.75 3 yrs.
Guardian	10.25	10.75	—	12.25 6 mths. net, 11.75 3 mths. not. min. £1,000
Halifax	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Heart of England	10.25	10.50	11.75	12.50 5 yrs., 11.00 3 mths. notice
Hearts of Oak and Enfield	10.25	10.50	11.75	12.50 4yrs., 11.53 3 yrs., 11.50 2 yrs.
Hendon	10.50	11.00	—	12.00 6 months, minimum £2,000
Huddersfield and Bradford	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Lambeth	10.25	10.75	12.50	12.50 5 yrs., withdrawals aft. 18 mths.
Leamington Spa	10.35	10.60	14.19	12.55 5 yrs., 12.30 4 yrs., 11.90 3 yrs.
Leeds Permanent	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Leicester	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Liverpool	10.25	10.50	11.95	12.50 5 years, minimum £1,000
London Goldhawk	10.25	10.75	12.00	11.75 3 yrs., 11.50 2 yrs., 11.25 1 yr.
Melton Mowbray	10.35	10.60	11.75	12.10 4 yrs., 11.85 2 yrs.
Mornington	10.75	11.25	—	—
National Counties	10.50	10.80	11.80	11.90 6 mth., 11.35 3 mth., min. £1,000
Nationwide	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
New Cross	11.00	11.25	—	—
Northern Rock	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Norwich	10.25	10.50	12.00	11.50 3 yrs., 11.25 2 yrs., min. £500
Paddington	10.60	11.00	12.50	11.75 6 months, 11.50 3 months
Peckham Mutual	10.50	11.25	—	—
Portman	10.25	10.50	11.75	12.50 5 yrs., 11.55 6 months' notice
Property Owners	10.25	11.00	12.25	12.50 av. 4 yr., 12 6 mth., 11.55 3 mth.
Provincial	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Skipton	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Sussex County	10.50	10.75	12.55	12.55 5 yrs., 12.15 4 yrs., 11.75 3 yrs.
Sussex Mutual	10.50	10.85	12.50	11.25 13.10 all with special options
Town and Country	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.
Walthamstow	10.25	10.60	11.75	12.60 6 yrs., 11.6 6 mth. not. min. £500
Wessex	10.50	11.20	—	12.50 6 mth. not. WDL min. 3 yrs.
Woolwich	10.25	10.50	11.75	12.50 5 yrs., 12.00 4 yrs., 11.50 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

UK MONEY MARKET

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

The Treasury bill rate fell by 0.1102 per cent at yesterday's tender to 15.9506 per cent and the minimum accepted bid rose to £96.02 from £95.99. Bids at that level were met as to about 41 per cent and above in full. The £300m bills on offer attracted bids of £1,063.26m and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

The final call on Treasury 13¾ per cent 2004/8 was seen as the main factor behind yesterday's shortage in the London money market, and the authorities gave assistance on a moderate scale. This comprised small purchases of Treasury bills both from discount houses and banks, and a small number of local authority bills bought from discount houses. The help was made up with small loans to one or two houses at MLR, for repayment on Monday.

In the interbank market weekend money opened at 16¾-16⅞ per cent and eased to 16¼-16½ per cent before firming on the forecast to 16¾-17 per cent. Rates dipped to 16¼-16½ per cent during the afternoon, but finished at 17¼-17½ per cent.

EXCHANGES AND BULLION

FT London Interbank Fixing (11.00 am June 6). Three-month U.S. dollars 9¾-9⅞; six-month 9 11/16-9 13/16.

Sterling showed little overall change against most currencies yesterday in quiet pre-weekend trading. The dollar lost ground towards the end of the day influenced mainly by dollar sales out of New York. Sterling's trade weighted index remained at 73.7, having stood at 73.7 at noon and 73.8 in the morning.

The U.S. unit may have been depressed as investors switched into gold, while the latest set of economic indicators may have undermined confidence in the short term. Against the D-mark the dollar slipped to DM 1.7720 from DM 1.7740 and to SwFr 1.6370 from SwFr 1.6460 in terms of the Swiss franc. The

Sterling opened at $2.3340-$2.3350 and touched $2.3380, but traded for most of the day around $2.3325. During the afternoon it dipped to $2.3280 but finished at $2.3315-2.3325, a rise of 10 points.

Gold rose to $599-603 in the London bullion market in active trading, a rise of $14 an 7. On the week gold rose $65½ ounce from Thursday, and its highest closing level since March an ounce.

THE POUND SPOT AND FORWARD

June 6	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3280-2.3380	2.3315-2.3325	1.57-1.47c pm	7.82	3.97-3.87 pm	6.72
Canada	2.6870-2.6965	2.6890-2.6900	1.20-1.10c pm	5.13	3.35-3.20 pm	4.87
Nethlnd.	4.53-4.57	4.54-4.55	2⅞-1⅞c pm	6.27	6¾-5¾ pm	5.50
Belgium	66.10-66.45	66.15-66.25	13-3c pm	1.45	33-23 pm	1.69
Denmark	12.86-12.93	12.88-12.89	1¼-3½ore dis	−2.44	7¾-9¾ dis	−2.64
Ireland	1.1090-1.1130	1.1115-1.1125	0.05-0.01p pm	0.32	0.24-0.12 pm	0.77
W. Ger.	4.12½-4.16½	4.13½-4.14½	3½-2½pf pm	7.61	7¾-6¾ pm	7.13
Portugal	113.90-114.50	114.05-114.25	25c pm-90c dis	−3.42	30 pm-90dis	−1.05
Spain	182.70-183.25	183.10-183.20	10c pm-40c dis	−2.21	10pm-70dis	−0.74
Italy	1940-1948	1941½-1942½	2¾-4¾lire dis	−2.32	14-17 dis	−3.19
Norway	11.32-11.39	11.34-11.35	7-5½ore pm	6.48	16¾-15 pm	5.53
France	9.60½-9.68	9.61½-9.62½	4½-3½c pm	3.74	10¾-9¾ pm	4.05
Sweden	9.72½-9.77½	9.73½-9.74½	½ore pm-par	1.01	2 pm-par	0.42
Japan	510-515	511½-512½	2.30-1.85y pm	4.86	7.25-6.80 pm	5.49
Austria	29.47-29.62	29.50-29.55	18-16gro pm	6.91	51-46 pm	6.57
Switz.	3.81½-3.84½	3.82-3.83	4-3c pm	10.98	10¾-9¾ pm	10.59

Belgian rate is for convertible francs. Financial franc 66.95-67.05. Six-month forward dollar 6.52-6.42c pm. 12-month 9.35-9.25c pm.

GOLD

	June 6		June 5	
Gold Bullion (fine ounce)				
Close	$595-603	(£255½-258½)	$585-589	(£251-253)
Opening	$583-587	(£250½-251½)	$578-589	(£248½-250½)
Morning fixing	$598.00	(£256.452)	$581.50	(£249.024)
Afternoon fixing	$597.00	(£256.155)	$581.75	(£249.526)
Gold Coins				
Krugerrand	$616-620	(£264-266)	$602-605	(£258-261)
Mapleleaf	$610-615	(£260-264)	$596-601	(£255-258)
New Sovereigns	$152-154	(£65-66)	$148-149	(£63½-64½)
King Sovs	$179-181	(£76¾-78¾)	$177-180	(£76-78)
Victoria Sovs	$180-182	(£77¼-79¼)	$178-181	(£78½-78½)
French 20s	$152-165		$152-155	
50 pesos Mexico	$740-745		$725-735	
100 Cor. Austria	$585-590		$570-870	
$20 Eagles	$672-676		$667-671	
$10 Eagles	—		—	
$5 Eagles	—		—	

EXCHANGE CROSS RATES

June 6	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.332	4.140	519.0	9.620	3.825	4.540	1942.	2.690	66.20
U.S. Dollar	0.429	1.	1.775	310.6	4.125	1.640	1.940	832.8	1.153	28.32
Deutschemark	0.242	0.566	1.	123.7	2.324	0.924	1.098	469.1	0.650	15.99
Japanese Yen 1,000	1.953	4.555	8.086	1000.	18.79	7.471	8.877	3785.	6.253	129.5
French Franc 10	1.040	2.424	4.304	532.2	10.	3.975	4.720	2010.	2.790	66.81
Swiss Franc	0.261	0.610	1.082	135.2	2.515	1.	1.188	507.7	0.705	17.31
Dutch Guilder	0.220	0.513	0.911	112.7	2.117	0.842	1.	427.3	0.592	14.57
Italian Lira, 1,000	0.515	1.201	2.132	263.8	4.954	1.970	2.340	1000.	1.385	34.09
Canadian Dollar	0.373	0.867	1.539	190.4	3.577	1.422	1.890	722.1	1.	24.61
Belgian Franc 100	1.511	3.525	6.254	773.4	14.55	5.778	6.866	2934.	4.063	100.

LONDON MONEY RATES

June 5 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	16¼-17½	—	—	—	17¼	16-17	—	—	—
2 days notice	—	—	16½-16⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅞-17	16¾-17	—	17⅜	17⅝	16⅝-16¾	—	—	—
One month	17⅛-16 15/16	16 15/16-17 1/16	16⅞-17	17⅛-17⅛	17 5/16	17⅝	16⅝	16 9/16	17⅛-17 1/32	17½
Two months	17 1/16-16 15/16	16 15/16-17 1/16	—	17¾-18¼	17¼	—	16¼	16⅛-15 9/16	16¾	17⅛
Three months	16⅞-16½	16 9/16-16⅝	16¾-17	16⅞-17¼	17⅛	17½	16¼-16⅝	15 13/16-15 13/16	16⅝	16 11/16
Six months	16¾-16⅝	16¾-16⅞	16¾-16⅞	16¾-18⅝	16⅛	16½	—	—	14⅞-14 13/16	16½
Nine months	14⅞-14¾	14 13/16-15 1/16	—	15⅝-16¾	15⅜	16	—	—	—	—
One Year	14⅜-14¼	14 7/16-14⅝	14⅞-15½	16⅛-16⅝	14⅛	16¾	—	—	—	—
Two years	—	—	14⅜-16	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority mortgage rate nominally three years 14½-14¾ per cent; four years 14½-14¾ per cent; five years 14¼-14½ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 15 13/16-15⅞ per cent; four-month trade bills 16⅝ per cent.

Approximate selling rates for one-month Treasury bill 15 13/16-15 25/32 per cent; two-months 15 11/16 per cent; three-months 15⅞ per cent. Approximate selling rates for one-month bank bills 17 7/32-17 3/16 per cent; two-months 16⅝ per cent; three-months 16 7/16 per cent; one-month trade bills 17¾ per cent; two-months 16⅞ per cent; and three-months 16 7/16 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17½ per cent from June 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 15.9506 per cent.

CURRENCY MOVEMENTS

June 6	Bank of England Index	Morgan Guaranty Changes%
Sterling	75.7	−32.9
U.S. dollar	83.7	−9.9
Canadian dollar	81.8	−15.5
Austrian schilling	155.3	+23.8
Belgian franc	118.8	+14.1
Danish kroner	106.8	−4.4
Deutsche mark	154.8	+44.4
Swiss franc	196.7	+79.5
Guilder	120.1	+10.0
French franc	101.1	−8.8
Lira	53.0	−60.8
Yen	128.9	+27.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

June 6	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	17¼-17½	0⅝-9⅝	10-12	11⅛-11⅜	5¼-5½	9¾-9⅞	12⅝-12½	14-18	8⅝-3½	12½-12¾
7 days' notice	17¼-17½	8½-9¾	10-12	11-11¼	0½-6	0¾ 9⅛	12⅜-19½	17-20½	8⅝-9⅞	12½-12¾
Month	17¼-17½	2¼-9¾	12⅞-19½	11-11¼	6-6⅛	9 11/16-9 13/16	18⅛-12⅛	18¾-20¼	9 11/16-9 13/16	12⅝-12⅝
Three months	18¾-17	0⅝-9⅛	11⅜-11⅞	10¾-11	5 11/16-5 13/16	9⅛-9⅝	12⅝-12⅞	17⅛-18¼	9 11/16-9 13/16	10¼-10⅛
Six months	15¾-16	9⅝-9⅞	10⅛-10⅞	10⅜-10⅝	5⅝-5¾	9.9⅛	12⅝-12⅞	18⅛-19½	9 11/16-9 13/16	10¼-19⅛
One year	14⅛-14¾	0⅝-9⅞	10⅛-10⅛	10¼ 10½	5⅝-5¼	8 11/16-8 13/16	12¾-15	18½-19½	9 11/16-9 13/16	9.9¼

The following nominal rates were quoted for London dollar certificates of deposit: one-month 9¾-9¾ per cent; three-months 9 25/32-9 29/32 per cent; six-months 9 25/32-9 29/32 per cent; one year 9½-9⅝ per cent.

Long-term Eurodollar two years 10⅜-10½ per cent; three years 10⅜-10¾ per cent; four years 10¾-11 per cent; five years 10⅞-11⅛ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 6	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.3102	+1.31	+0.51	±1.53
Danish Krone	7.72336	7.83075	+1.39	+0.59	±1.64
German D-Mark	2.48208	2.01637	+1.39	+0.59	±1.125
French Franc	5.84700	5.85143	+0.08	−0.72	±1.3557
Dutch Guilder	2.74362	2.76311	+0.71	−0.08	±1.512
Irish Punt	0.668201	0.676136	+1.18	+0.39	±1.668
Italian Lira	1157.79	1181.92	+2.08	+1.79	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

June 6	£	$		£ Note Rates
Argentina Peso	4955-4275	1825-1832	Austria	29.35-29.65
Australia Dollar	2.0285-2.0325	0.8702-0.8706	Belgium	66.79-67.59
Brazil Cruzeiro	117.90-118.90	50.51-50.81	Denmark	12.80-12.89
Finland Markka	8.50-8.52	3.650-3.662	France	9.57-9.65
Greek Drachma	98.92-102.10	42.70-42.90	Germany	4.12-4.15
Hong Kong Dollar	11.443-11.460	4.9130-4.9160	Italy	1910-1988
Iran Rial	n/a	n/a	Japan	510-515
Kuwait Dinar(KD)	0.630-0.630	0.2080-0.2682	Netherlands	4.53-4.55
Luxembourg Frc.	66.15-66.88	28.38-28.40	Norway	11.28-11.37
Malaysia Dollar	5.00-5.01	2.1480-2.1500	Portugal	110-114.0
New Zealand Dlr.	2.3635-2.3685	1.0138-1.0149	Spain	167.50-164.76
Saudi Arab. Riyal	7.725-7.825	3.3280-3.3310	Sweden	9.68-9.75
Singapore Dollar	4.852-4.962	2.1270-2.1290	Switzerland	3.81-3.84
Sth. African Rand	1.8155-1.8099	0.7786-0.7721	United States	2.325-2.534
U.A.E. Dirham	8.50-8.70	3.7010-3.7040	Yugoslavia	47.50-53.50

Rate given for Argentina is free rate.

U.K. CONVERTIBLE STOCKS 6/6/80

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Bank of Ireland 10pc Cv. 91-96	1.20	137.00	47.6	77-81	7.4	5.6	− 6.6	−13 to −7	0.0	9.4	6.4	+13.0
British Land 12pc Cv. 2002	7.71	252.00	333.3	80-97	4.8	2.8	0.8	− 1 to 6	0.0	88.9	35.6	+34.8
Hanson Trust 6½pc Cv. 88-93	3.02	83.00	57.1	76-81	8.0	8.9	− 8.1	−10 to −1	6.3	3.1	− 3.5	+ 4.6
Slough Estates 10pc Cv. 87-90	5.44	220.00	187.5	78-86	4.5		− 1.4	− 6 to 2	35.8	39.5	1.6	+ 3.0
Slough Estates 8pc Cv. 91-94	24.88	108.00	78.0	80-91	7.4	6.9	16.4	15 to 22	26.1	47.4	22.9	+ 6.5
Ultramar 7pc net R.Cv. Pfd.	12.59	3.66	105.2	76-81	2.8		−99.0	−99 to −99	38.2	9.6	− 3.0	+96.0
Wilkinson Match 10pc Cv. 84-98	11.10	70.00	40.0	76-83	14.2	14.6	42.3	23 to 63	21.0	24.5	7.1	−35.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

Selective investment and effects of bear squeeze trigger fresh advance in many equity sectors

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
May 12	May 28	May 30	June 9
June 2	June 12	June 13	June 23
June 16	June 26	June 27	July 7

* "New time" dealings may take place from 9 am two business days earlier.

The first leg of the current trading Account ended on a reasonably bright note for the equity sectors yesterday. Underlying sentiment was helped by persisting hopes of a reduction in domestic interest rates before the late-summer, despite Treasury warnings earlier in the week to the contrary.

Business in leading equities was by no means lively, but after an uncertain start, investment buying developed for selected issues. This sometimes found stock in short supply and resultantly triggered a fresh general squeeze on professional bear positions. The ensuing rise was measured by a noon gain of 5.2 *in the FT 30-share index*, down 0.6 at the 10 am calculation, and a closing improvement of 5.1 at 428.5. Over the week the *index recorded a rise of 12.2.*

Reports that Glaxo has been allowed to increase certain drug prices stimulated demand for the company's shares and those of Beecham, both of which closed with useful gains. ICI, however, remained overshadowed by a specialist broker's downgrading of its profits estimates for the group, while comment on the first-quarter results and statement prompted caution in British Petroleum.

Of the sectors, Properties remained wary in the wake of Thursday's surprise £108m rights issue by Land Securities, which lost a little more ground. Oils of both major and secondary nature were fairly briskly traded but ended the day with a mixed appearance.

The absence of any fresh overseas demand for Gilt-edged securities caused a notable lull in business activity. Nevertheless, medium and long-dated issues, the main participants recently of foreign attention, held up well, while short-dated stocks fluctuated within fairly narrow limits before settling a shade easier on balance. Against the trend, *specialist interest developed in* selected low-coupon stocks, usually ¼ harder. Statements from the Prime Minister and the Chancellor re-iterating the Government's determination to adhere to its financial strategy made little impact on the market.

Antofagasta stood out in Foreign Railways, attracting revived demand from one source and rising 3 points to a peak of £80.

Traded options finished a reasonably active week recording 832 deals yesterday for a week's daily average of 906, the highest *since* mid-February. Land Securities remained in demand with 256 contracts completed.

Marsh McLennan of the U.S. made their official London debut *yesterday. The price opened at* £25¾ and closed at £25⅞ after a reasonable business.

Ottoman dip and rally

Having reacted 7 points on Thursday following the chairman's rejection of the charge that the group had undisclosed gold reserves far in excess of its *market valuation, Ottoman Bank* continued to retreat early yesterday and touched £50 before rebounding swiftly to close at £59, for a net gain of 4 points. *Elsewhere, Discount Houses* rallied after recent dullness caused by a broker's adverse circular. Cater Ryder retrieved 3 at 318p as did Clive at 43p, while Jessel Townbee recovered 4 to 74p. The major clearers were undecided, although Midland, 5 higher at 337p, continued to respond to a broker's favourable circular. Hire Purchases often made progress with UDT closing a couple of pence better at 55p and Lloyds and Scottish 4 to the good at 134p.

Insurances again took a firmer line but the volume of business *was small. Sun Alliance gained 6* to 580p and Equity and Law added 4 to 228p, Brentnall Beard contrasted with a reaction of a penny to 8p after comment on the half-yearly figures.

Leading Breweries ended a shade firmer where altered. Whitbread added a couple of pence at 147p, while good support was again shown for Greenall Whitley, 5 dearer at 190p. Wines and Spirits *were again quietly* firm with Highland, 143p, and Distillers, 188p, both gaining a penny.

Leading Buildings met with fresh support. Blue Circle and BPB improved 4 apiece to 324p *and 184p respectively, while* similar gains were seen in Costain, 140p, Taylor Woodrow, 76p, and Redland 158p. Francis Parker remained at 18p despite the increased annual profits, while Derek Crouch, a good market *this week on an invest*ment recommendation, eased 5 to 130p, although retained a gain on the week of 18.

A couple of pence firmer on *sporadic bear closing, ICI even*tually reverted to the overnight level of 356p. Fisons touched 255p prior to closing at 250p, unchanged on balance. Among other *Chemicals, Arrow shed 7* to 55p reflecting the company's inability to meet its profit forecast. Comment on the preliminary results lifted Leigh Interests 5 to 137p.

Leading Stores continued to make headway in a limited trade. British Home and GUS A added 4 at 264p and 388p respectively, while increased speculative activity lifted Debenhams 3 to 76p. Revived support was noted for Combined English, 4 better at 38p, while Ratners firmed another penny at 60p. Adverse Press comment clipped a couple of pence off Grattan, 50p, and other mail-orders closed with similar losses. Owen Owen remained an unsettled market following the chairman's bearish comments on current trading and ended 6 lower at 114p. Forminster shed 4 more to 118p, but Comet Radiovision rallied a penny to 69p.

Electricals attracted *investment* interest and GEC rose 4 to 356p, after 358p, while Racal, 242p, and Thorn-EMI, 266p both picked up 2. Plessey put on 3 at 146p. Outside of the leaders, support was seen for Telephone Rentals, 4 better at 206p, and for Automated Security, 5 to the good at 260p.

Leading Engineerings ended the week on a firm note. A squeeze on bear positions brought about a *smart gain of 8 to 174p* in Hawker, while Tubes closed a like amount better at 252p. Continuing to reflect nationalisation compensation hopes, Vickers rose 3½ more making an advance of 14½ on the week at 121p. John Brown hardened 2 to 50½p as did GKN to 232p. Elsewhere, buyers came for Babcock International, 84p, and Hawthorn Leslie, 88p, which rose 4 apiece, while *Northern Engineering Industries* put on 3 to 44p. Further consideration of the increased first-half profits helped Brooke Tool improve 3 to 54p.

Notable movements in leading Foods were few, but J. Sainsbury, *firm recently on the annual* statement and property revaluation, added 5 more to 365p for a gain on the week of 20. Elsewhere, Bernard Matthews met with fresh buying and hardened 3 to 203p, after 205p, but Bishops Stores A shed 4 to 106p, the latter on the disappointing annual results.

Dealings in Old Swan (Harrogate) were resumed after news *that bid discussions with Queen's* Moat Houses, which holds a near 15 per cent stake in the latter, had ceased compared with the suspension level of 43p, the *shares opened at 35p and picked* up to 41p on hopes that Queen's Moat would return for fresh talks.

Glaxo good

Reports that Glaxo has been allowed to increase selected drug prices prompted firmness in Pharmaceutical issues; Glaxo improved steadily to close 6 higher at the day's best of 200p, while Beecham touched 129p before finishing a net 4 better on balance at 126p. Other miscellaneous industrial leaders gained ground largely on technical considerations. Rank Organisation put on 8 to 186p and Unilever rose 7 to 435p, after 438p. Continuing to reflect the favourable annual results, Reed making a rise on the week of 20 International improved 3 more at 187p. Secondary issues paraded several bright features. Recently firm on the chairman's encouraging annual statement, European Ferries took a further turn *for* the better in response to favourable comment and closed 6 dearer at 150p. National Carbonising were also tipped and added 6 to 136p, while Dobson Park advanced 4 *to 109p on the* good first-half results. Speculative buying pushed Pentos up 6 to 56p, after 57p, but Burco Dean lost 2 more to 24p, making a fall of 10 on the week after comment on the poor interim results.

Leading Oils slip

Lucas, 6 up at 196p, continued to recover from weakness earlier in the week which followed the announcement of redundancies, but Dunlop remained dull and shed 2 more to 66p. Elsewhere in Motor Components, good sup*port was forthcoming for Flight* Refuelling, 6 up for a two-day gain of 13 at 288p. Associated Engineering were unchanged at 57½p; the price quoted in Friday's issue was incorrect.

A brisk trade developed in *Oils*, but the trend was to lower levels. Comment on the first-quarter figures clipped 8 from British Petroleum to 350p, while Shell eased a couple of pence to 398p. Tricentrol touched 370p prior to closing a net 4 off at 380p following the drilling report on North Sea block 211/18A in which the company has a 10 per cent interest. Burmah shed 9 to 224p following the chairman's *remarks at the annual general* meeting, while Lasmo cheapened 5 to 680p. By contrast, fresh speculative attention was directed towards Siebens UK *which put on 10 to 250p*, while Pict Petroleum rose 20 to 460p, the latter in a thin market. Onshore partners Carless Capel, 139p, and Candecca, 162p, added 4 and 7 *respectively*.

Lonrho became a good market and rose 4 to 86p. Elsewhere in Overseas Traders, Gill and Duffus eased a few pence to 125p after Press mention. Jamaica Sugar held at 11p; the price and *change in yesterday's issue* was incorrect.

Golds easier

A *further* $14 rise in the bullion price to $601—up $65.50 over the week—encouraged renewed demand for Australian gold issues but failed to inspire any further *buying of* South African Golds which remained under the cloud of the recent civil unrest in the Republic.

Little selling of South African *Golds* was reported but various attempts to move the market up met persistent offerings from professional operators and prices tended to close below the previous day's *levels*. The *Gold* Mines index gave up 3.5 to 333.7, but remained 0.9 firmer over the week.

Heavyweights sustained losses of up to ¼ as in Hartebeest, £29¼, Kloof, £13 and Western Holdings, £28. Medium and lower priced issues showed West Rand Con*solidated 22 off at* 244p and Southvaal a like amount down at 793p.

Financials were mixed. In South Africans Anglo American Corporation hardened 4 to 574p, "Amgold" a half-point to £36¼ and General Mining 10 to 800p. On the other hand, Gold Fields of South Africa met widespread selling and closed ¼ lower at £32; dividend declarations from the group's gold producers are due on Tuesday.

London Financials made good progress in the wake of the strong bullion price. Rio Tinto-Zinc touched 390p before easing to close 4 firmer at 387p while *Gold Fields rose 6 to 476p* and Selection Trust 12 up at 652p. Tanks added a penny at 288p—a week's rise of 18—on further consideration of the increased profits and dividend announced on Wednesday.

Australians ended a good week in fine form. The sharp rise in the bullion price, coupled with the troubles in South Africa encouraged heavy and sustained buying *of* Golds. Gold Mines of Kalgoorlie attracted further persistent demand and advanced 10 more to a 1980 high of 356p—102p higher over the week—while Poseidon and North Kalgurli were both unchanged on the day at 1980 highs of 187p and 81p respectively. Over the week Poseidon has risen 47 and North Kalgurli 14.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	58	1	70	—	84	—	352p
BP	330	34	11	50	—	64	—	"
BP	360	16	27	34	3	48	—	"
BP	390	6	11	20	20	—	—	"
Com. Union	120	18	8	20	—	24	1	133p
Com. Union	130	8	—	13	4	18	—	"
Com. Union	140	2½	15	6	52	13	—	"
Cons. Gold	500	14	4	40	—	52	—	476p
Cons. Gold	550	4	35	16	—	—	—	"
Courtaulds	60	6	55	0½	—	11½	—	65p
Courtaulds	70	2	40	4	6	6½	10	"
GEC	360	16	—	29	6	43	—	356p
GEC	390	4	61	16	—	20	—	"
Grand Met.	120	19½	3	23	—	29	1	136p
Grand Met.	130	10½	10	16½	2	22½	—	"
Grand Met.	140	5	21	10	6	17½	—	"
ICI	360	14	10	21	10	36	—	356p
ICI	390	6½	—	11	1	20	—	"
Land Secs.	260	55	25	—	—	—	—	307p
Land Secs.	300	18	103	34	100	47	—	"
Land Secs.	330	3½	—	17	22	30	6	"
Marks & Sp.	80	8	13	16½	—	16	1	85p
Shell	360	47	7	56	—	70	—	398p
Shell	390	17½	6	38	—	50	10	"
Shell	420	6½	2	17	4	—	—	"
Totals			461		632		20	
		August		November		February		
Lonrho	70	19	30	21	—	23	—	84p
Lonrho	80	11	4	14	—	17	—	"
Lonrho	90	5½	44	8½	—	10	16	"
P. & O.	100	91½	—	27	—	29	1	116p
P. & O.	110	12	3	18½	—	22½	0	"
P. & O.	120	6½	2	12	—	15	7	"
RTZ	360	48	1	65	—	80	—	387p
RTZ	390	27	5	40	—	60	—	"
RTZ	420	13	21	26	1	—	—	"
RTZ	460	6	—	16	1	—	—	"
RTZ	500	3	6	—	—	—	—	"
Totals			116		2		62	

FINANCIAL TIMES STOCK INDICES

	June 6	June 5	June 4	June 3	June 2	May 30	A year ago
Government Secs.	67.73	67.75	67.50	67.47	67.11	67.70	72.60
Fixed Interest	68.42	68.34	68.21	68.20	68.12	68.42	75.00
Industrial	428.5	423.4	423.0	420.0	412.7	416.9	505.2
Gold Mines	333.7	337.2	328.0	321.0	339.2	332.8	201.3
Ord. Div. Yield	6.37	6.47	6.46	6.56	6.65	6.63	5.54
Earnings Yld. % (full)	20.18	20.42	20.41	20.74	21.09	20.95	16.39
P/E Ratio (net) (*)	6.03	5.96	5.95	5.85	5.75	5.79	8.32
Total bargains	17,755	17,044	17,666	19,965	19,196	20,970	—
Equity turnover £m	—	121.75	95.88	94.76	94.00	115.24	99.02
Equity bargains total	—	14,804	12,964	13,955	14,674	16,716	14,362

10 am 422.9. 11 am 425.9. Noon 428.6. 1 pm 428.6.
2 pm 428.5. 3 pm 428.3.
Latest Index 01-246 8026.
*Nil=5.84.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	65.95 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.21 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	479.8 (15/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (22/2)	265.5 (18/6)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	June 6	June 5
Daily		
Gilt Edged	113.7	104.0
Industrials	98.0	95.5
Speculative	47.8	45.0
Totals	75.5	71.7
5-day Avrge.		
Gilt Edged	110.7	105.4
Industrials	105.4	107.9
Speculative	44.7	42.8
Totals	77.1	76.9

RISES AND FALLS

Yesterday — On the week

[illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., June 6, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., June 5 Index No.	Wed., June 4 Index No.	Tues., June 3 Index No.	Mon., June 2 Index No.	Year ago (approx.) Index No.	1980 High	1980 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	229.02	+0.9	19.12	7.02	6.47	227.04	225.71	224.41	222.42	263.45	250.52 (14/2)	208.87 (3/1)	287.87 (4/5/79)	50.71 (13/12/74)
2	Building Materials (28)	226.72	+0.5	18.87	7.25	6.52	225.53	223.24	221.68	220.84	248.96	244.27 (14/2)	194.00 (3/1)	270.52 (8/5/79)	44.27 (11/12/74)
3	Contracting, Construction (27)	343.14	+0.2	27.26	7.05	4.40	342.42	340.22	339.83	337.10	401.86	377.28 (29/2)	313.00 (3/1)	451.74 (4/5/79)	71.48 (2/12/74)
4	Electricals (16)	606.88	+0.9	13.80	4.16	9.40	601.64	599.02	593.49	586.37	617.37	646.77 (13/2)	539.56 (2/1)	698.53 (4/5/79)	84.71 (25/6/62)
5	Engineering Contractors (11)	276.36	+1.5	24.72	9.38	5.06	272.25	269.01	266.87	265.05	393.38	306.54 (14/2)	264.74 (30/5)	429.70 (4/5/79)	64.39 (2/1/75)
6	Mechanical Engineering (74)	152.51	+1.5	21.11	8.61	5.80	150.26	149.32	148.81	147.64	198.86	173.75 (14/2)	146.46 (3/1)	211.08 (8/5/79)	45.43 (6/1/75)
6	Metals and Metal Forming (16)	150.60	+0.5	23.07	10.86	5.20	149.81	149.89	149.70	147.86	180.27	171.28 (29/2)	141.95 (2/1)	192.29 (4/5/79)	49.65 (6/1/75)
	CONSUMER GOODS														
11	(DURABLE) (49)	202.85	−0.1	16.14	6.26	7.59	202.99	201.98	200.48	198.23	244.58	226.35 (3/3)	184.82 (3/1)	259.88 (8/5/79)	38.39 (6/1/75)
12	Lt. Electronics, Radio, TV (14)	295.23	+0.2	12.38	4.53	10.34	294.50	294.22	290.24	286.24	332.53	322.21 (3/3)	247.36 (3/1)	358.49 (11/9/79)	42.85 (13/12/74)
13	Household Goods (14)	93.87	+0.5	31.49	11.21	3.75	93.38	93.67	94.35	94.27	173.69	116.40 (2/1)	93.38 (5/6)	263.22 (4/5/72)	63.92 (17/12/74)
14	Motors and Distributors (21)	95.55	−1.1	23.99	10.33	4.85	96.63	94.70	95.58	94.98	125.57	115.86 (29/1)	94.70 (4/6)	170.59 (15/1/69)	19.91 (6/1/75)
	CONSUMER GOODS														
21	(NON DURABLES) (172)	212.72	+0.5	19.45	7.47	6.20	211.57	210.85	208.74	207.30	245.01	226.99 (21/1)	200.15 (3/1)	269.81 (4/5/79)	61.41 (13/12/74)
22	Breweries (14)	269.44	+0.6	16.77	6.75	7.00	267.89	266.39	264.68	263.69	279.45	282.35 (6/5)	248.93 (3/1)	306.13 (4/5/79)	69.47 (13/12/74)
23	Wines and Spirits (5)	284.43	+0.5	19.15	6.57	6.43	283.04	280.15	280.95	278.92	305.43	322.79 (21/1)	278.92 (2/6)	352.29 (29/3/79)	78.88 (13/12/74)
24	Entertainment, Catering (17)	304.07	+0.7	18.53	7.15	6.66	301.87	301.91	301.34	294.54	316.86	312.63 (5/3)	268.87 (3/1)	374.32 (3/5/79)	54.83 (9/1/75)
25	Food Manufacturers (21)	189.59	+0.3	20.71	7.77	5.67	189.09	187.93	187.19	185.66	227.49	208.78 (14/2)	183.95 (28/3)	236.75 (4/5/79)	59.67 (11/12/74)
26	Food Retailing (13)	306.99	+0.3	13.87	5.05	8.55	306.13	302.04	301.01	293.25	302.86	325.52 (21/1)	286.28 (3/1)	332.56 (8/5/79)	54.25 (11/12/74)
32	Newspapers, Publishing (13)	408.01	−0.1	23.31	7.17	5.80	408.30	407.78	407.09	407.02	448.65	455.30 (14/2)	378.52 (3/1)	492.56 (8/5/79)	55.08 (6/1/75)
33	Packaging and Paper (15)	124.93	+0.9	29.05	9.98	3.97	123.88	123.94	122.65	119.07	142.61	134.86 (14/2)	113.30 (3/1)	155.65 (14/9/78)	43.46 (6/1/75)
34	Stores (42)	206.49	+0.9	14.88	5.97	8.65	204.72	204.65	203.02	201.39	249.99	227.12 (29/2)	188.71 (3/1)	273.48 (4/5/79)	52.63 (6/1/75)
35	Textiles (24)	116.89	−0.1	29.11	13.22	4.33	117.01	118.53	118.76	117.98	177.53	134.65 (19/2)	116.89 (6/6)	236.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	202.42	+0.2	30.13	11.44	3.76	201.93	200.42	198.94	195.50	240.03	221.71 (18/1)	192.86 (3/1)	339.16 (2/8/72)	94.34 (13/6/62)
37	Toys and Games (5)	27.02	+0.5	45.32	17.95	2.61	26.88	26.93	26.68	27.08	79.02	47.59 (1/1)	26.25 (30/5)	135.72 (16/1/70)	20.92 (6/1/75)
41	OTHER GROUPS (99)	201.12	+0.9	18.42	7.63	6.46	199.31	199.90	197.89	194.17	215.42	215.44 (14/2)	184.19 (3/1)	234.76 (8/5/79)	58.63 (6/1/75)
42	Chemicals (16)	293.25	−0.1	21.38	8.21	5.36	293.40	296.36	292.98	287.01	302.31	317.88 (13/2)	276.80 (3/1)	329.77 (4/5/79)	71.20 (1/12/74)
43	Pharmaceutical Products (7)	195.82	+2.9	13.09	7.05	9.41	190.32	191.73	187.75	181.38	230.82	221.00 (13/2)	175.38 (28/5)	291.13 (14/9/78)	175.38 (28/5/80)
44	Office Equipment (6)	105.08	+3.4	20.73	7.90	5.52	101.62	100.51	99.03	98.57	128.01	123.10 (14/2)	98.57 (2/6)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping (10)	512.74	+1.6	13.80	6.89	8.86	504.45	499.93	499.15	491.64	489.52	515.40 (7/5)	411.53 (10/1)	539.68 (18/5/77)	90.80 (29/6/62)
46	Miscellaneous (60)	243.09	+0.4	18.49	7.43	6.67	242.10	241.79	240.60	237.25	257.48	255.99 (14/2)	221.86 (3/1)	273.91 (8/5/79)	60.39 (6/1/75)
49	INDUSTRIAL GROUP (492)	220.20	+0.7	18.89	7.31	6.41	218.73	218.15	216.70	213.95	249.94	236.37 (14/2)	203.76 (3/1)	273.01 (4/5/79)	59.01 (13/12/74)
51	Oils (8)	787.22	−1.4	29.31	6.54	3.77	798.15	791.31	771.74	770.00	681.33	840.16 (5/3)	668.86 (8/1)	840.16 (5/3/80)	87.23 (29/5/62)
59	500 SHARE INDEX	264.81	+0.2	21.22	7.14	5.54	264.27	263.21	260.39	257.69	284.86	282.49 (13/2)	241.13 (3/1)	308.20 (4/5/79)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	198.55	+0.1	—	6.21	—	198.29	198.52	197.19	195.48	197.87	204.39 (6/5)	175.85 (3/1)	241.41 (1/5/72)	55.88 (13/12/74)
62	Banks (6)	215.82	+0.1	45.37	7.13	2.70	215.65	213.07	210.51	207.52	237.59	236.42 (13/2)	201.01 (8/4)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	247.41	+1.5	—	7.14	—	243.85	243.89	255.01	255.01	248.46	261.41 (27/5)	206.50 (18/3)	293.13 (2/5/72)	81.40 (10/12/74)
64	Hire Purchase (5)	200.79	+2.6	15.56	4.99	8.34	195.78	193.19	192.09	191.51	188.10	212.37 (6/5)	160.72 (3/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	189.68	+1.1	—	6.71	—	187.67	186.03	183.70	182.84	161.79	189.68 (6/6)	151.80 (3/1)	194.46 (15/3/72)	44.88 (2/1/75)
66	Insurance (Composite) (9)	126.87	+0.6	—	8.48	—	126.15	125.29	124.51	123.50	131.63	135.02 (13/2)	117.05 (3/1)	161.72 (6/10/77)	43.96 (13/12/74)
67	Insurance Brokers (9)	299.11	−0.7	15.88	7.65	8.67	301.28	299.60	295.82	293.49	287.52	305.08 (17/4)	256.48 (3/1)	372.27 (11/8/78)	65.86 (16/12/74)
68	Merchant Banks (13)	106.96	−0.2	—	5.90	—	107.18	105.92	105.89	105.87	102.78	107.92 (27/5)	87.47 (3/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (45)	373.17	−0.6	3.76	2.98	37.87	375.28	386.54	385.97	382.39	362.51	406.50 (6/5)	304.20 (3/1)	406.50 (6/5/80)	56.01 (20/4/65)
70	Miscellaneous (11)	126.63	−0.1	17.50	6.89	7.27	126.80	126.61	126.04	125.36	126.36	137.13 (14/2)	119.62 (3/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	219.95	+0.6	—	6.25	—	218.58	216.34	215.34	214.76	223.81	241.41 (14/2)	188.97 (3/1)	248.31 (26/4/79)	71.63 (13/12/74)
81	Mining Finance (4)	191.82	+1.2	13.86	5.14	8.74	189.47	186.86	183.75	179.89	138.89	230.07 (13/2)	161.95 (3/1)	230.07 (13/2/80)	66.31 (30/9/74)
91	Overseas Traders (19)	369.00	+1.2	14.08	7.33	8.76	364.45	362.05	361.13	360.18	374.40	437.34 (13/2)	330.03 (3/1)	437.34 (13/2/80)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	249.28	+0.3	—	6.87	—	248.61	247.67	245.28	242.89	260.97	265.72 (13/2)	225.06 (3/1)	283.82 (4/5/79)	61.92 (13/12/74)

FIXED INTEREST PRICE INDICES

	British Government	Fri., June 6	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	104.23	+0.09	—	4.37
2	5-15 years	108.95	−0.01	—	4.82
3	Over 15 years	113.31	+0.01	—	4.81
4	Irredeemables	127.68	+0.24	—	6.30
5	All stocks	108.51	+0.09	—	4.60

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Fri., June 6	Thurs., June 5	Year ago (approx.)	1980 Highs	1980 Lows
1	Low Coupons	5 years	12.17	12.15	9.95	13.32 (4/3)	11.79 (21/1)
2		15 years	12.13	12.11	10.81	13.12 (4/3)	11.79 (21/1)
3		25 years	12.13	12.11	11.30	13.12 (4/3)	11.79 (21/1)
4	Medium Coupons	5 years	13.91	13.90	11.68	15.37 (4/3)	13.85 (27/5)
5		15 years	13.84	13.82	12.07	14.71 (4/3)	13.31 (21/1)
6		25 years	13.70	13.68	12.17	14.58 (4/3)	13.20 (21/1)
7	High Coupons	5 years	14.05	14.03	11.93	15.44 (4/3)	13.99 (27/5)
6		15 years	14.15	14.14	12.42	15.06 (4/3)	13.76 (21/1)
9		25 years	14.05	14.05	12.42	14.92 (4/3)	13.46 (21/1)
10	Irredeemables		11.49	11.50	11.15	12.53 (21/3)	10.88 (21/1)

		Fri., June 6 Index No.	Yield %	Thur. June 5	Wed. June 4	Tues. June 3	Mon. June 2	Fri. May 30	Thur. May 29	Wed. May 28	Year ago app'x	1980 Highs	1980 Lows	Since Compilation Highs	Since Compilation Lows
15	20-yr. Red. Deb. & Loans (15)	51.46	14.38	51.44	51.43	51.42	51.40	51.41	51.42	51.38	58.71	61.93 (31/1)	49.16 (7/1)	116.43 (25/10/65)	37.06 (5/1/75)
16	Investment Trust Prefs. (15)	47.78	14.14	47.78	47.79	47.79	47.88	47.88	47.88	47.82	51.78	48.43 (29/1)	46.34 (2/1)	114.41 (15/9/63)	34.45 (4/12/74)
17	Coml. and Indl. Prefs. (20)	61.84	14.48	61.84	61.84	61.84	61.88	61.80	61.80	61.97	75.45	62.27 (30/1)	60.92 (27/3)	114.96 (7/10/55)	47.67 (8/1/75)

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Wines and Spirits	16/1/70	144.76			
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	128.20			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 25p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from the Book Sales Department, FT Business Publishing Limited, Minster House, Arthur Street, London, EC4R 9AX, at £50 per copy. CONSTITUENT CHANGES: [illegible]

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (51)

BRITISH FUNDS (4)
Treas. 3¼pc 1979-81 — Exch. 9¼pc 1982
Treas. 8¼pc 1982 — Exch. 8¼pc 1983
CORPORATION LOANS (2)
Liverpool 9¼pc 80-84 — Lon. Co. 9¼pc '84-85
FOREIGN BONDS (1)
Antofagasta Railway
AMERICANS (2)
Chesebrough Ponds — Richardson-Merrell
CANADIANS (1)
Tor. Dom. Bank
BANKS (2)
Gibbs (A.) — Keyser Ullmann
BEERS (1)
Bolmer (H. P.)
BUILDINGS (1)
Tunnel "B"
CHEMICALS (1)
Arrow Chemicals
STORES (2)
Ratners — S. & U. Stores
ELECTRICALS (1)
Normand Elec.
ENGINEERING (3)
Hall (M.) — Brooke Tool — Hawthorn Leslie
FOODS (2)
Matthews (B.) — Sainsbury (J.)
INDUSTRIALS (6)
Boot (H.) — European Ferries
B. H. Prop. — Portals
Bruntons (M'burgh.) — Pritchard Services
INSURANCE (6)
Britannic — Pearl Assurance
Hambro Life — Refuge
Lon. & Manchester — Sun Life
LEISURE (1)
Scottish TV "A"
MOTORS (2)
Flight Refuelling — Herman Smith
SHIPPING (1)
Lyle Shipping
TEXTILES (1)
Shaw and Marvin
TRUSTS (1)
Colonial Secs.
OIL AND GAS (4)
Clyde Pet. — Pict Pet.
Double Eagle — Siebens (UK)
OVERSEAS TRADERS (1)
Warren Plants.
TEAS (1)
McLeod Russel
MINES (4)
Blyvoor — North Kalgurli
Gold of Kalgoorlie — York Resources

NEW LOWS (34)

CANADIANS (1)
Massey Ferguson
BUILDINGS (2)
Bellway — Higgs & Hill
STORES (4)
Empire Stores — Home Charm
Freemans (London) — Wharf Mill
ELECTRICALS (5)
Brooks — Muirhead
Chloride — Sound Diffusion
Dowding & Mills
ENGINEERING (7)
Baker Perkins — Davies & Metcalf "A"
Braithwaite — RCF
Carclo Eng. — 600 Group
Clifford (C.)
FOODS (3)
Bishop's Stores — Needlers
Do. "A"
INDUSTRIALS (3)
Bogod-Pelepah "A" — Staffs. Potts.
Man. Ship Canal — Wedgwood
Scapa
LEISURE (2)
Pan Atlas — Saga Holidays
PAPER (2)
Bemrose — Clay (Richard)
TEXTILES (2)
Bolmer & Lamb — SEET
TRUSTS (1)
Nagil SA.

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Jun. 9	Jun. 20	Sept. 11	Sept. 22
Jun. 23	Jul. 4	Sept. 25	Oct. 6
Jul. 7	Jul. 18	Oct. 9	Oct. 20

For rate indications see end of Share Information Service

Call options were dealt in B.E.T., Dunlop, Offshore Oil, North Kalgoorlie, Smith Bros., Grattan Warehouses, Woodside, Basic Resources, Vlakfontein, Burmah, Venterspost, BP, FNFC and Premier Oil. Puts were transacted in Lasmo and Siebens, while doubles were arranged in Debenhams and Dunlop.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Discretionary Unit Fund Managers

22 Blomfield St., EC2M 7AL.

MoneyLife Management Ltd.

St. George's Way, Stevenage.

Stewart Unit Tst. Managers Ltd.(a)

45, Charlotte Sq., Edinburgh.

City of Westminster Assurance

Ringstead House, 6, Whitehorse Road, Croydon CR0 2JA.

Legal & General Prop. Fd. Mgrs. Ltd.

11, Queen Victoria St., EC4N 4TP.

Schroder Life Group

Enterprise House, Portsmouth.

Barbican Managers (Jersey) Ltd.

P.O. Box 63, St. Helier, Jersey.

Mayflower Management Co. Ltd.

Sun Alliance Fund Mangt. Ltd.

Sun Alliance Hse., Horsham.

Target Tst. Mngrs. Ltd.

31, Gresham St., E.C.2.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

P.O. Box 42, Douglas, I.o.M.

Bishopsgate Progressive Mgt. Co.

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Commercial Union Group

St. Helen's, 1, Undershaft, EC3.

London Indemnity & Gnl. Ins. Co. Ltd.

18-20, The Forbury, Reading.

London Life Linked Assur. Ltd.

Scottish Widows' Group

Standard Life Assurance Company

Sterling Denominated Fds.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

P.O. Box 195, Hamilton, Bermuda.

Capital International S.A.

Charterhouse Japhet

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

100, Wood Street, E.C.2.

Transatlantic and Gen. Secs. Co.

91-99, New London Rd., Chelmsford.

Confederation Life Insurance Co.

50, Chancery Lane, WC2A 1HE.

Cornhill Insurance Co. Ltd.

32, Cornhill, E.C.3.

Credit & Commerce Insurance

120, Regent St., London W1R 5FE.

Crown Life

The London & Manchester Ass. Gp.

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

2, 3, 4, Cockspur St., SW1Y 5BH.

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Craigmount Fixed Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F & C Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

P.O. Box 670, Hamilton, Bermuda.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd. Ldn. Agts.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mngt. Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullmann Ltd.

Tyndall Managers Ltd.

18, Canynge Road, Bristol.

TSB Unit Trusts (y)

21, Chantry Way, Andover, Hants.

Ulster Bank

Waring Street, Belfast.

Unit Trust Account & Mgmt. Ltd.

Murray Johnstone U.T. Mgmt.

163, Hope Street, Glasgow.

Mutual Unit Trust Managers

National Provident Inv. Mngrs. Ltd.

National Westminster

NEL Trust Managers Ltd.

Milton Court, Dorking, Surrey.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd.

Pelican Units Admin. Ltd.

Perpetual Unit Trust Mngmt.

Practical Invest Co. Ltd.

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd.

Quilter Management Co. Ltd.

The Stock Exchange, EC2N 1HP.

Reliance Unit Mgrs. Ltd.

Reliance House, Tunbridge Wells, Kt.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd.

City Gate Hse., Finsbury Sq., EC2.

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd.

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Security Selection Ltd.

Crusader Insurance Co. Ltd.

Vincula House, Tower Pl., EC3.

Eagle Star Insur./Midland Assur.

1, Threadneedle St., EC2.

Equity & Law Life Ass. Soc. Ltd.

Amersham Road, High Wycombe.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Royal Exchange, E.C.3.

Hambro Life Assurance Limited

7 Old Park Lane, London, W1.

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Ass. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

1-3 St. Paul's Churchyard, EC4.

Albany Life Assurance Co. Ltd.

31, Old Burlington St., W.1.

AMEV Life Assurance Ltd.

Alma Hse., Alma Rd., Reigate.

Barclays Life Assur. Co. Ltd.

252 Romford Rd., E7.

Beehive Life Assur. Co. Ltd.

71, Lombard St., EC3.

Canada Life Assurance Co.

2-6, High St., Potters Bar, Herts.

Cannon Assurance Ltd.

1 Olympic Way, Wembley HA9 0NB.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

M & G Group

Three Quays, Tower Hill, EC3R 6BQ.

Manufacturers Life Insurance Co.

St. George's Way, Stevenage.

Merchant Investors Assurance

Leon House, 233 High St., Croydon.

NEL Pensions Ltd.

Milton Court, Dorking, Surrey.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

4-5 King William St., EC4P 4HR.

Pinnacle Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Tunbridge Wells, Kent.

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Sun Life Unit Assurance Ltd.

Sun Life Pensions Management Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

Royal Albert Hse., Sheet St., Windsor.

OFFSHORE & OVERSEAS FUNDS

Alexander Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅜	97⅞	Exchequer 13pc 1980‡‡	99⅜	+⅛	13.08	14.23
98⅜	96¾	Treasury 11½pc 1981‡‡	98⅛	+⅛	11.71	14.57
93⅛	90¾	Treasury 3½pc 1979-81	93⅛	+⅛	3.75	14.23
96 7/16	93⅜	Treasury 9¾pc 1981‡‡	96½	−1/16	10.10	14.34
95 1/16	91¼	Exch. 8¼pc 1981	95 1/16xd	......	8.67	13.67
95 7/16	92¼	Exch. 9½pc 1981	95 7/16	......	9.95	13.85
91½	85½	Exch. 3pc 1981	91½	+⅛	3.26	10.46
98 13/16	96½	Treas. Variable '81‡‡	98⅝	......	16.75	17.25
98⅜	95 1/16	Exch. 12¾pc 1981‡‡	97 15/16	−1/16	13.01	14.30
92⅝	88½	Treas. 8½pc '80-82‡‡	92½	−⅛	9.18	13.82
88¾	82½	Treasury 3pc '82‡‡	88¾	+⅛	3.38	10.42
100⅝	96⅝	Treasury 14pc '82‡‡	100 1/16	......	13.99	13.88
97⅞	94¼	Treas. Variable '82‡‡	97⅞xd	......	16.89	18.17
90 13/16	86¼	Treasury 8¼pc '82	90 13/16xd	+⅛	9.07	13.44
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

86	78	5pc Stock '77-82	85¼	......	5.85	12.74

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
167	133	Do. 6pc '78-81	160	+1	—	—

LOANS

Public Board and Ind.

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
61½	56½	Agric. Mt. 5pc '59-89	59xd	......	8.42	12.65
80	73½	Alcan 10½pc '89-94	75xd	......	14.00	14.80
28½	25	Met. Wtr. 3pc 'B'	27¼	−¼	11.32	13.35
103	89	U.S.M.C. 9pc 1982	103	......	8.75	—
91	85½	Do. without Warrants	91	......	10.40	16.20

LOANS—Continued

Financial

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98½	96½	FFI 13pc 1981	98¼	......	13.23	15.75
98	93½	Do. 14pc '83	97¾xd	+¼	14.32	14.84
85	79½	FFI(UK Fd)5½pcDb. '80-2	84	......	6.63	14.43
76	71½	Do. 6¼pcDb. '81-84	76	......	8.22	13.55
90	80½	Do. 10½pc Uns.Ln. '86	85xd	......	12.35	14.50
89½	77	Do. 11pc Uns.Ln. '88	83½xd	−½	13.17	14.20
91½	82	Do. 11¾pc Uns.Ln. '90	85½xd	......	13.74	14.60
63	56	Do. 7¼pcADeb. '89-92	59½xd	......	12.18	14.30
61	51½	Do. 7¼pcA Db. '91-94	59	......	12.64	14.35
72	64½	Do.9pc'A' '91-94	69½	−½	13.37	14.50
67¼	61	Do.8⅞pcLn. '92-97	67	−¼	13.91	14.60
95	84½	Do.12½pc Uns.Ln.1992	91¼	......	14.10	14.55

FOREIGN BONDS & RAILS

1980 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
80	43	Antofagasta Rly.	80	+3	—	—
55	50	Do. 5pc Pref.	55xd	......	—	—
98	98	Chilean Mixed	98	......	—	3.39
58	42	Chinese 4½pc 1898	42	......	—	—
45	32	Do. 5pc 1912	32	......	—	—
24	18	Do. 5pc 1913	21	......	—	—
24	17½	Do. 5pc 1925 Boxer	23	......	—	—
35	28½	Greek 7pc Ass.	30	......	3½	11.66
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
£76½	£56	Algemene Fl.100	£63	......	Q25%	1.9	[illegible]	6.7
365	290	Allen Harvey £1	335	+5	21.5	—	[illegible]	—
128	96	Allied Irish	96xd	......	Q8.93	—	9.[illegible]	—
17	13	Ansbacher (H.) 5p.	14½xd	......	0.15	—	[illegible]	—
235	180	Arbuthnot L. £1	218	−2	†10.42	—	[illegible]	—
360	283½	Bk. Ireland £1	285xd	......	Q23.51	—	[illegible]	—
£162	£134	Do. 10pc Conv.	£134	......	Q10%	—	†7.[illegible]	—
*8	5	Bk. Leumi $0.1	6	......	Q11.4%	—	1.[illegible]	—
120	100	Bk. Leumi (UK)£1	120	......	8.57	—	10.[illegible]	—
178	[illegible]	Bk. N.S.W. $A1	136	−3	Q16c	♦	[illegible]	♦
305	[illegible]	Bank Scotland £1	245	......	15.0	5.1	[illegible]	3.1
£21	£16¼	Bankers N.Y.$10	£20½	......	Q53.30	—	7.[illegible]	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

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O.F.S.

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Central African

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Tins

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235	130	Messina R0.50	180	......	mQ10c	ϕ	3.2

Miscellaneous

High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
170	73½	Anglo-Dominion	160	......	—	—	—
97	56	Barymin	60	+2	—	—	—
17	12	Burma Mines 10p	16½	......	0.62	1.1	5.4
502	320	Cons. Murch. 10c.	350	......	MQ10c	1.5	13.0
585	325	Northgate C$1	400	......	—	—	—
485	327	R.T.Z.	387	+4	15.0	3.2	5.5
53	16	Robert Mines	23	......	—	—	—
58	26	Sabina Inds. C$1.	31	+1	—	—	—
650	411	Tara Exptn. $1	450	−10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- ■ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ※ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. R Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

			IRISH		
Albany Inv. 20p	29	......			
Bertam	17	......	Conv. 9% '80/82	£88¾	+⅛
Bdg'wtr. Est. 50p	418	+3	Nat. 9¾% 84/89	£76¾	+⅝
Clover Croft	60	......	Fin. 13% 97/02	£85⅛	+½
Craig & Rose £1	£18½	......	Alliance Gas	45	......
Fife Forge	32½	......	Arnott	360	−3
Finlay Pkg. 5p	13	......	Carroll (P.J.)	50	......
Graig Ship. £1	£14½	......	Clondalkin	115	−1
Higsons Brew	73	......	Concrete Prods.	75	......
Holt (Jos) 25p	298	......	Heiton (Hldgs.)	36	......
I.O.M. Stm. £1	180	......	Ins. Corp.	205	......
Pearce (C. H.)	405	......	Irish Ropes	55	......
Peel Mills	48	......	Jacob	35	......
Sheff. Refrsbmt	105	......	T.M.G.	90	......
Sindall (Wm.)	140xd	......	Unidare	93	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew	7	I.C.I.	27	Utd. Drapery	6½
BOC Intl.	6	"Imps"	6½	Vickers	12
B.S.R.	4½	I.C.L.	14	Woolworths	5½
Babcock	8	Inveresk	4		
Barclays Bank	34	Ladbroke	15	**Property**	
Beecham	10	Legal & Gen.	15	Brit. Land	7
Blue Circle	25	Lex Service	8	Cap. Counties	9
Boots	16	Lloyds Bank	24	Land Secs.	24
Bowaters	15	"Lots"	3½	MEPC	17
B.A.T.	20	London Brick	6	Peachey	13
Brown (J.)	7	Lucas Inds.	17	Samuel Props.	12
Burton 'A'	10	"Mams"	14	Town & City	2
Cadburys	5½	Mrks. & Spncr	8		
Courtaulds	8	Midland Bank	26	**Oils**	
Debenhams	0	N.E.I.	3	Brit. Petroleum	32
Distillers	17	Nat. West. Bank	27	Burmah Oil	20
Dunlop	7½	P & O Dfd.	10	Charterhall	10
Eagle Star	15	Plessey	14	KCA	11
F.N.F.C.	2¼	Racal Elect.	22	Premier	13
Gen. Accident	21	R.H.M.	4½	Shell	35
Gen. Electric	30	Rank Org.	15	Tricentrol	40
Glaxo	10	Reed Intnl.	16	Ultramar	35
Grand Met.	12	Sears	5		
G.U.S. 'A'	34	Tesco	6	**Mines**	
Guardian	23	Thorn	23	Charter Cons.	14
G.K.N.	20	Trust Houses	12	Cons. Gold	40
Hawker Sidd	15	Tube Invest.	23	Lonrho	8
House of Fraser	15	Unilever	40	Rio T. Zinc	35
		U.D.T.	5½		

A selection of Options traded is given on the London Stock Exchange Report page

" Recent Issues " and " Rights " Page 24

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FINANCIAL TIMES
Saturday June 7 1980

MAN OF THE WEEK

Escape from a budget tangle

BY JONATHAN CARR

HANS MATTHOEFER is a Houdini among finance ministers. Just as you feel he has locked himself into an insoluble problem, and the pundits are writing him off, he emerges triumphantly waving a key.

At the start of this week there were some who thought Matthoefer might have to resign over the West German contribution to solving Britain's EEC budgetary problem. Had he not appeared to set an upper limit to the sum Bonn could pay, and did not this sum now seem to have been exceeded?

True enough. But by week's end Herr Matthoefer had wriggled free, not only producing the funds for Britain, but sparing his Cabinet colleagues early cuts in their budgets—and placing the political opposition on the defensive over joint financing of the package.

Isn't there a sleight of hand in this? Indeed there is—but what of it? Matthoefer would surely agree that he is not one of the most profound financial strategists of modern times. He had not wanted the Finance Ministry job and only took it over in February, 1978, because Chancellor Helmut Schmidt insisted.

Hans Matthoefer
Looking for Answers and Opportunities

But he is a highly accomplished and persistent political "fixer" in a way which seems to belong more to Italian than German politics. Had he not been, he would never have been able to put together the Bonn supplementary budget of nearly DM 2bn this year, nor could he have brought the Western aid package for Turkey into being—nor, perhaps, could he have extracted several billions of Deutsche Marks in direct credit from the Saudis.

All of which may suggest that Matthoefer is an opportunist—which is true if an opportunist is defined as one who seizes the chances offered while creating some of his own, false if it implies a lack of any deep conviction.

Born in September, 1925 in Bochum in the Ruhr area—the son of a foundry worker who was injured and jobless for seven years—Hans Matthoefer has spent much of his career in practical work on behalf of labour (including foreign workers in Germany). That was true for his time with the Metalworkers' Union, IG Metall.

For a long time he was particularly associated with the left wing of the Social Democratic Party (SPD). His strong contacts with the socialist movements of southern Europe and his powerful outbursts against extreme right-wing regimes ("That band of murderers" is how he described the successors to President Allende of Chile) appear to underline this. But the pressures of the Finance Ministry, combined with loyalty to a Chancellor who can hardly be described as "leftist," have served to blur that image.

While emotionally identified *with some of the causes of the* SPD Left, there is little in his policies to which the centre of the party can seriously object. That even goes for his relationship with the SPD's coalition partner, the Liberal Free Democrats (FDP). Once asked how he, a trade unionist, critic of right-wing regimes and advocate of a state role in the economy, could co-exist with an FDP Economics Minister in Count Otto Lambsdorff, who was a former banker and a free marketeer, Matthoefer simply replied "splendidly."

That may be a slight exaggeration. But if, for any reason, Schmidt were to step down as Chancellor, then Matthoefer would probably be the most likely man to succeed him. His chief rival is Hans Apel, an effective Defence Minister and a dutiful supporter of Schmidt—but not, when the chips are down, a political Houdini.

GADDAFFI'S NEW THREAT TO DISSIDENTS IN UK

Libya 'sends expulsion list'

BY PATRICK COCKBURN IN TRIPOLI

LIBYA says that it has sent Britain a list of Libyans living in Britain with the request that they be expelled and returned to Libya.

The Libyan Government says it is preparing to step up attacks on opponents of Col. Gaddaffi's regime who do not return by next Wednesday, June 11.

Dr. Ahmed Shehati, effective Foreign Minister, said in Tripoli that the future of Britain's relations with Libya, where expulsion of three British diplomats and 17 residents was ordered last week, depended on expulsion of the named dissidents.

He said all those expelled were accused of specific crimes. But the list appears to have been drawn up on a haphazard basis in response to the expulsion of four Libyan officials from Britain.

According to Dr. Shehati, head of the Foreign Liaison Committee, which controls the "People's Bureaux" that have *replaced* Libyan embassies, the fate of those who do not return by next Wednesday "will be in the hands of revolutionary committees" which are not controlled by the Libyan authorities.

Asked why Libya was pursuing political dissidents with such vigour, Dr. Shehati said that if President Nasser of Egypt had killed his opponents in Washington, London and Paris, President Sadat, now Col. Gaddaffi's arch-enemy, would not be in power.

The threat of further killings by Libyans in Europe will deeply worry European Governments which are trying to clamp down on Middle Eastern terrorism in their streets.

This week Britain warned that diplomats and foreign officials possessing guns would be expelled.

The Libyan threat will also increase *fears* among the 32,000 Europeans in Libya, of whom 5,090 are British and 17,000 Italian. The Libyan authorities have yet to produce a list of the 17 Britons whose expulsion has been ordered, and some, who play a vital role in the economy, have had their expulsion orders rescinded.

Col. Gaddaffi has threatened to use Libya's financial and oil *resources as a weapon against* countries harbouring opponents of his regime.

Britain exported £250m worth of goods to Libya last year. Exports rose by 52 per cent in the first four months of this year. Recent trials of Libyan officials and Army officers for corruption have prevented new contracts being awarded.

In London the Foreign Office said it had not received any list and that Libyan officials had not discussed the expulsion of any compatriots for several months. People who respected the law would not be expelled, and the Libyan statement suggested a "wholly unacceptable intervention in the affairs of others."

New car sales in May down 33% on last year

BY JOHN GRIFFITHS

NEW CAR sales in the UK fell steeply again last month, against a backdrop of mounting redundancies and lay-offs in the motor *industry*.

Sales in May were down by 33.68 per cent, at 128,174, compared with 193,269 in the same month last year.

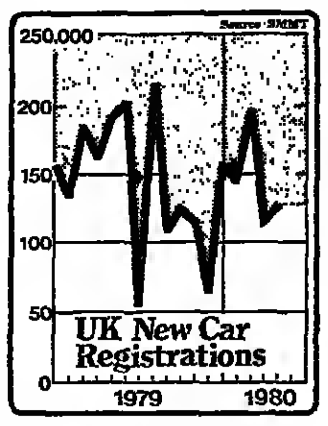
Although the Society of Motor Manufacturers and Traders is sticking to its current forecast of a 1.5m market for the full year—a figure already revised downwards from 1.55m—other industry sources yesterday were predicting privately that even this figure will prove too optimistic.

Some industry estimates suggest that nearly 400,000 cars are now stockpiled awaiting buyers, enough to supply the market for four months.

"Given current interest rates, that is about double the healthy level for this market," one industry source said yesterday.

Overall, the market in the first five months was 10.3 per cent lower than in the same period last year.

It has fallen steeply in the past two months after a record first quarter, when for the first time over 500,000 cars were sold.



But 1979 set a record—1.7m cars were sold—and sales in May were running only about 2.5 per cent below those in May, 1978.

Nevertheless, the industry is now gearing down production and gearing up promotional campaigns as competition intensifies.

Both Ford and Vauxhall will make lay-offs the next two months and the announcement of 3,000 redundancies by Lucas this week is just one of a string of lay-offs and redundancies spreading through the motor components industry.

BL, whose market share last month *was 18.05* per cent, *is* among the exceptions. Many of its work force were laid off earlier this year and this, combined with its "Buy British" campaign, brought stocks down to about 75,000—a level it believes *appropriate to* the market.

It plans no lay-offs, and is taking on staff at Cowley, where this week it began increasing production of its Maxi and Princess models.

Over the next two *months* BL's market share may slip to 15 per cent or under, however. Sales in June and July are always depressed, as buyers wait for the new "W" registration. But in BL's case would-be buyers *are also* waiting for the successor to its best-selling Marina, the Ital, to be launched at the start of July.

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Rush for Cornish tin mine shares

By Paul Cheeseright

A WAVE of interest from private investors in Cornish tin mining prospects has led to the offer of 5.5m shares at 50p each in South West Consolidated Minerals being 5.5 times oversubscribed.

It was the biggest local mining exploration share offer since before the First World War.

since before the first world

More than £15m from 10,000 applicants seeking a total of 30.27m shares has been received by the Royal Bank of Scotland, which is handling the issue. ... ...

South West Consolidated is a subsidiary of Dundonian, a Dundee group best known for its funeral interests. The need to finance a £2.5m exploration programme for tin in the Callington area of Cornwall and the Gunnislake area of Devon led to the decision to float off 25 per cent of South West Consolidated.

At least 6,000 of the applications came from investors seeking 2,000 shares or less, according to Rowe Rudd, the London brokers making the offer.

There will be a ballot among those who asked for up to 2,000 shares, with those successful being granted 200. Those who applied for more than 2,00 0will receive 1S per cent of their application.

Next Wednesday it is hoped that South West shares will take their place beside a number of North Sea oil exploration issues in trading on the Stock Exchange, under the dispensations offered by Rule 163 (3). This covers companies without an earnings record and is in effect a step below full listing.

Sir Hugh may seek to remove Rowland from Fraser board

BY JOHN MOORE

SIR HUGH FRASER, chairman of House of Fraser, the department store group which owns Harrods, said yesterday that he may seek to remove Mr. Tiny Rowland, chief executive of Lonrho, from the Fraser board next year.

Sir Hugh made his remarks in London as he issued another circular urging rejection of a 50 per cent increase in Fraser's final dividend.

Lonrho, which owns 29.99 per cent of the House of Fraser shares, is the largest shareholder in the group.

It has been mounting a vigorous campaign for the increase of House of Fraser's final dividend from 4p per share to 6p per share and board changes.

Lonrho is opposing the re-election of four Fraser directors and is proposing that four of its own nominees be appointed.

Sir Hugh said that Mr. Rowland and Lord Duncan-Sandys, Lonrho's chairman who also sits on the Fraser board, *come* up for *re-election* next year. "We will be considering the position. That is possibly why Mr. Rowland did not go against the re-election of myself this year. He was possibly looking after his own interest next year."

In what is becoming an increasingly bitter row between the two men, Sir Hugh described Mr. Rowland's and Lonrho's moves as "creeping control."

"He wants to get control of Fraser without spending a penny for it."

Sir Hugh said that Lonrho had originally been looking for a total dividend of 10p net, compared with House of Fraser's total of 6p, in February.

But the stores chief explained that he felt that the dividend should be covered twice by historic earnings and at least covered by inflation-adjusted earnings.

He said that with hindsight he regretted his friendship with Mr. Rowland. "We had a very friendly relationship and used to see each other every three weeks, often meeting for dinner at the Dorchester." Sir Hugh added: "The damage has been done and is irreparable."

Details of circular, Page 19

$1.3bn Euroloan for Woodside

BY PETER MONTAGNON

WOODSIDE Petroleum has reached agreement in principle with eight major international banks to raise a $1.3bn credit in the Euromarkets to finance its share of the North West Shelf gas project in Western Australia.

A statement issued yesterday said the credit, believed to be the largest energy credit ever assembled on international markets, would be widely syndicated late this year to a broad spectrum of Australian and international banks.

It will be managed by Bank of Montreal, Banque Nationale de Paris, Banque de la Societe Financiere Europeenne, Barclays Bank International, Chase Manhattan, Citibank, the Industrial Bank of Japan and Morgan Guaranty Trust.

The borrowing will be secured against proceeds from sale of the gas to Western Australia's state energy commission and associated hydrocarbons to other customers.

Terms were not disclosed, but bankers believe that in view of the size of the project the maturity is likely to exceed ten years.

This, coupled with the fact that the banks concerned are taking an indirect risk in the venture itself, means that the margins over London interbank rates are likely to be wider than normally prevalent for Euromarket lending to Australia.

An initial spread of at least 1¼ per cent is expected, though the margin will decline below this level once the project has started to generate a cash flow.

Woodside has a 50 per cent stake in the project which is expected to involve total investments of some $4bn.

Given the interest costs arising from the finance it will need to raise a further $1.5 to $2bn after the current credit. It is thus likely to undertake at least one more major borrowing on international markets after the current deal.

This will be *syndicated* late in the third quarter, with the loan finalised and signed early in the fourth quarter.

Woodside *has also obtained* a A$300m contingency facility from its two major shareholders Shell and Broken Hill Proprietary. This will ensure funds are available in case costs escalate.

Details, Page 21

Continues from Page 1

Ministers act on pay

For example, the Prime Minister, opening a big ICI plant at Runcorn, Cheshire, said that lower interest rates would come when monetary growth dropped, though she warned against premature action.

Mrs. Thatcher's reference to interest rates was taken by MPs as evidence that she fully appreciated the concern felt in industry but was unable to give a specific pledge on the timing.

There was a hint in Whitehall yesterday that the Government might seek an early first tranche of the £710m rebate from the EEC due at the end of the current financial year.

The refund is being earmarked to cut public-sector borrowing.

Robin Pauley writes: Sir Geoffrey gave a strongly-worded warning to local councils in his Brighton speech. He said too many local authorities had been prepared this year to ask their ratepayers to foot a rate bill that had increased beyond all reason.

Cuts in expenditure and manpower could and must be achieved. "The Government is not prepared to sit back and see local authorities' spending run away," he said.

Councils seemed to have budgeted for a substantial volume excess on current spending this year, above the level envisaged at the time of the rate-support grant settlement for 1980-81.

Weather

UK TODAY

SHOWERS, sunny intervals.

London, S.E. and E. England, E. Midlands
Sunny intervals, showers later. Max. 17-19C (63-66F).

S. England, Channel Isles, Wales, W. Midlands, N.W. and N. England, Lakes
Showers, sunny intervals. Max. 16-18c (61-64F).

I. of Man, S.W. and N.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland
Showers, sunny intervals. Max. 14-16C (57-61F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Moray
Sunny intervals, showers. Max. 15-17C (59-63F).

N.E. Scotland, Orkney, Shetland
Cloudy, some rain. Max. 12-13C (54-55F).

Outlook: Unsettled.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	20	68	Locarno	F	28	82
Algiers	F	31	88	London	F	20	68
Amsdm.	C	25	77	Los Ang	S	24	75
Athens	F	23	73	Luxmbg.	F	25	77
Bahrain	S	37	99	Luxor	S	33	95
Barclns.	F	21	70	Madrid	S	30	86
Beirut	S	24	75	Majorca	S	26	79
Belfast	R	15	59	Malaga	S	25	77
Belgrd.	C	19	66	Malta	S	26	79
Berlin	F	23	73	Mchstr.	C	16	61
Biarritz	C	17	63	Melbne.	C	12	54
Bmghm.	F	18	64	Mex. C.	C	26	79
Blackp'l	S	15	59	Milan	S	26	79
Bordx.	C	21	70	M'ntreal	S	20	68
Boulgn.	S	15	59	Moscow	C	20	68
Bristol	F	17	63	Munich	F	21	70
Brussels	F	23	73	Nairobi	S	22	72
Budpst.	C	19	66	Naples	F	20	68
B. Aires	C	14	57	Nwcstl.	a	18	64
Cairo	S	28	82	N. York	S	24	75
Cardiff	S	15	59	Nice	F	19	66
Casbca.	C	23	73	Nicosia	S	23	73
Cape T.	S	19	66	Oporto	F	20	68
Chicago	S	24	75	Oslo	S	29	84
Cologne	S	27	81	Paris	C	19	66
Cpnhgn.	S	23	73	Perth	S	15	59
Corfu	F	23	73	Prague	F	20	68
Dublin	R	15	59	Reykjvk.	C	8	46
Dbrvnk.	C	20	68	Rhodes	F	22	72
Ednbgh.	S	18	64	Rio J'o	S	25	77
Faro	F	26	79	Rome	F	24	75
Florence	F	22	72	Salzb'rg	F	20	68
Frankf't	F	26	79	S 'cisco	C	16	61
Funchal	F	20	68	Singapr.	R	29	84
Geneva	F	24	75	Stckhm.	S	25	77
Gibrltr.	S	23	73	Strasb'g	F	26	79
Glasgow	F	17	63	Sydney	S	16	61
G'rnsey	S	14	57	Tangier	F	23	73
Helsinki	F	24	75	Tel Aviv	S	23	73
H. Kong	S	28	82	Tenerife	F	20	68
Innsbrk.	C	15	59	Tokyo	C	20	79
Invrnss.	F	17	63	Toronto	R	19	66
I.o.Man	C	12	54	Tunis	F	31	88
Istanbul	C	21	70	Valencia	S	24	75
Jersey	S	15	59	Venice	F	24	75
Jo'burg	S	16	61	Vienna	C	20	68
L. Plms.	S	23	73	Warsaw	C	16	61
Lisbon	S	21	70	Zurich	C	20	68

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

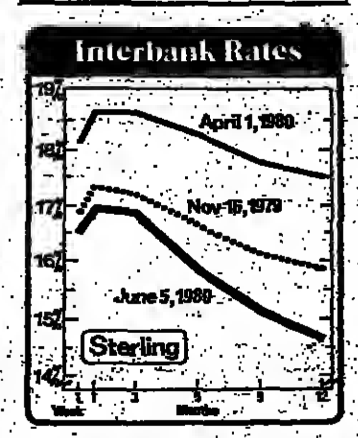
Equity funds come out of hiding

Small boats have not yet gathered in Threadneedle Street, but it looks as though the Bank of England, influenced perhaps by the general nostalgia about Dunkirk, is fighting a rearguard action over interest rates. The money market squeeze is virtually over, and rates will fall as soon as the authorities allow—yesterday's Treasury bill tender suggests that bets are once again being laid on an early decline.

Investors in gilt-edged have been looking for lower interest rates for so long that their eyes are tired. But the equity market, having thought of little for weeks but the damage being inflicted on the corporate sector by falling demand and external financial pressures, has just begun to sniff that a fall in rates may not be far away. Moreover, events in the currency markets have given grounds for belief that lower rates may be accompanied by a life-saving decline in sterling.

Equities have shown remarkable strength in the past week, particularly among the leading shares: the FT 30-Share Index has risen by 15.8 points, nearly 4 per cent, in the last four trading days, with the sharpest corrections coming in companies such as Beecham and Glaxo which had been showing pronounced relative weakness. Although the £108m rights issue from Land Securities depressed the property sector, it did not dampen demand in the market as a whole: equity fund managers are shutting their ears to the crescendo of factory closures and hoping for better times a year ahead.

Index rose 5.1 to 428.5



Chemicals

The downswing in chemical demand was long delayed, but by all accounts arrived with a vengeance in April, to match *the deterioration in other* sectors of the economy. It would have been surprising if the industry had remained unscathed through the destocking, redundancies and falling profits and sales that have been announced in recent weeks.

Expectations of a down-swing have been built into the ICI share price for many months, but that did not prevent a bout of nerves in the market on Thursday as BP reported difficult conditions in plastics and chemicals and new pessimistic estimates of a drop in ICI's profitability were circulated. The ICI share price fell 10p to 356p, although it was still 22p higher than at the beginning of the week.

While demand fell away in the UK in April, it is likely that May *was not quite so bad, and* the downturn in Europe seems to be less steep. So far ICI has been able to maintain market share without significant price-cutting. After the buoyant first quarter, a downturn for the year of the extent of 1975, when volume fell 10 per cent, is unlikely. In that year ICI's profits fell a shade less than 30 per cent, while in the current year there will be a greatly increased contribution from oil, whatever the recent problems in the Ninian Field. So after last year's £560m pre-tax profits it would take gloom of magnificent proportions to push 1980 expectations below £500m.

Woodside

International bankers love politically secure energy projects. That is the message of Woodside Petroleum's US$1.3bn project financing for the North West Shelf gas development in Australia. Although Woodside has come a long way in the last 20 years it is still a comparatively small player in a very big game. It has net assets of under $400m, and very little income since its investment is almost entirely in development and exploration ventures.

Rather than the existing balance sheet, the lenders are relying on the proceeds of sales contracts for natural gas to the Western Australian state commission, which typically might cover their liability around twice. On this basis, Woodside's share price might still seem a lot too low, with a market capitalisation of around $1.4bn. *After all, these contracts* by no means represent the bulk of the Shelf's ultimate output. Negotiations are under way for the sale of 6m tonnes of liquefied natural gas a year to Japan, and a fair bit of that phase of *the development will* be entered for out of the current financing.

However Woodside is going to require at least one more major slab of finance before the cash starts to flow back, and shareholders may well have to play *their* part again, as they already have done in the past through a series of large share issues. Its total funding requirement could be approaching $3bn before the project becomes self financing: LNG production is not scheduled to start until 1986, and there is no prospect of any dividends for years to come.

The terms of the sales contracts with the Japanese utilities will be of crucial importance to the next stage of the financing programme, and thus to the shareholders' ultimate reward. The package could be trickier to put together than one which was based on an agreement with a domestic state authority. But every ripple of unrest in the Middle East, and every extra cent on the price of oil, makes the success of this enormous project look more assured.

Dobson Park

Dobson Park's interim figures—pre-tax profits rose from £6.6m to £7.8m in the six months to March—show just how profitable specialist engineering businesses can be, particularly where there is an energy connection. The strength of sterling has hit the more vulnerable general activities, such as the alternator side, but this is more than offset by strong performances in mining machinery and in the Kango hammer division.

Trading profits from mining machinery are up by 32 per cent, with some help from the last slice of Dobson Park's Chinese contract and the backlog of orders held up by the engineering strike. But the order book is still healthy, as it is for Kango, a business in which the group is adding capacity and still working on 20 per cent trading margins.

Given some recovery in the general engineering division in the second half, the group should produce profits of over £16m in the full year, which leaves the shares—up 4p yesterday at 109p—at around seven times earnings on the likely 36 per cent tax charge. On a dividend forecast to rise by at least 15 per cent the yield is 7 per cent. Dobson Park has good prospects and an almost entirely ungeared balance sheet—at present capital spending is comfortably financed out of cash flow—and its premium rating is amply *justified*.

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